

State: Virginia Filing Company: United Security Assurance Company of Pennsylvania

TOI/Sub-TOI: LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified

Product Name: Trigon VA 2020 Group LTC Business Rate Increase Filing

Project Name/Number: 2020 Trigon Group Rate Increase/

### Filing at a Glance

Company: United Security Assurance Company of Pennsylvania

Product Name: Trigon VA 2020 Group LTC Business Rate Increase Filing

State: Virginia

TOI: LTC05G Group Long Term Care - Nursing Home and Home Health Care

Sub-TOI: LTC05G.002 Non Qualified

Filing Type: Rate

Date Submitted: 08/28/2020

SERFF Tr Num: USPA-132508445

SERFF Status: Closed-Approved

State Tr Num: USPA-132508445

State Status: Approved

Co Tr Num: TRIGON 2020 GROUP RATE INCREASE

Effective: On Approval

Date Requested:

Author(s): Martha Stephens, Tara Shiffert, William Neugroschel, Marge Haley, Gary Hulet

Reviewer(s): Colleen Moore (primary)

Disposition Date: 07/07/2021

Disposition Status: Approved

Effective Date:

State: Virginia Filing Company: United Security Assurance Company of Pennsylvania  
 TOI/Sub-TOI: LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
 Product Name: Trigon VA 2020 Group LTC Business Rate Increase Filing  
 Project Name/Number: 2020 Trigon Group Rate Increase/

**General Information**

Project Name: 2020 Trigon Group Rate Increase Status of Filing in Domicile: Not Filed  
 Project Number: Date Approved in Domicile:  
 Requested Filing Mode: Review & Approval Domicile Status Comments: not applicable  
 Explanation for Combination/Other: Market Type: Group  
 Submission Type: New Submission Group Market Size: Small  
 Group Market Type: Employer Overall Rate Impact: 35%  
 Filing Status Changed: 07/07/2021 Deemer Date: 07/16/2021  
 State Status Changed: 07/07/2021 Submitted By: Gary Hulet  
 Created By: Gary Hulet  
 Corresponding Filing Tracking Number:  
 State TOI: LTC05G Group Long Term Care - Nursing Home and Home Health Care State Sub-TOI: LTC05G.002 Non Qualified

Filing Description:  
 These policy forms were issued in Virginia by Trigon Blue Cross Blue Shield from 1992 through 2004. The business was assumed by United Security Assurance Company of PA ("United Security") on September 30, 2009. These policies are no longer being marketed in any jurisdiction.

While the rate increases justified under the Virginia statutes amount to a one time increase in excess of 922.5%, the Company is proposing an increase of 35.0% be implemented.

**Company and Contact**

**Filing Contact Information**

Martha Stephens, Vice President of Operations mstephens@usa-cal.com  
 673 Cherry Lane 215-723-3044 [Phone] 124 [Ext]  
 Souderton, PA 18964-1260 215-723-8036 [FAX]

**Filing Company Information**

United Security Assurance Company of Pennsylvania	CoCode: 42129	State of Domicile: Pennsylvania
673 Cherry Lane	Group Code:	Company Type: Life, Accident/Health
Souderton, PA 18964-1260	Group Name:	State ID Number:
(215) 723-3044 ext. [Phone]	FEIN Number: 23-2227246	

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**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania  
**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
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## Filing Fees

### State Fees

Fee Required? No

Retaliatory? No

Fee Explanation:

**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania  
**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Colleen Moore	07/07/2021	07/07/2021

## Objection Letters and Response Letters

### Objection Letters

Status	Created By	Created On	Date Submitted
Info has been requested from company	Colleen Moore	06/30/2021	06/30/2021
Info has been requested from company	Colleen Moore	06/30/2021	06/30/2021
Info has been requested from company	Colleen Moore	06/11/2021	06/11/2021
Info has been requested from company	Colleen Moore	03/29/2021	03/29/2021
Info has been requested from company	Colleen Moore	02/08/2021	02/08/2021
Info has been requested from company	Colleen Moore	01/27/2021	01/27/2021
Info has been requested from company	Colleen Moore	01/11/2021	01/11/2021
Info has been requested from company	Colleen Moore	01/07/2021	01/07/2021
Info has been requested from company	Colleen Moore	12/09/2020	12/09/2020
Info has been requested from company	Colleen Moore	11/16/2020	11/16/2020

### Response Letters

Responded By	Created On	Date Submitted
Gary Hulet	07/06/2021	07/06/2021
Gary Hulet	07/06/2021	07/06/2021
Gary Hulet	06/16/2021	06/16/2021
Gary Hulet	04/07/2021	04/07/2021
Gary Hulet	03/01/2021	03/01/2021
Gary Hulet	01/27/2021	01/27/2021
Gary Hulet	01/12/2021	01/12/2021
Gary Hulet	01/12/2021	01/12/2021
Gary Hulet	12/11/2020	12/11/2020
Gary Hulet	11/20/2020	11/20/2020

**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania  
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**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing  
**Project Name/Number:** 2020 Trigon Group Rate Increase/

## Objection Letters and Response Letters

### Objection Letters

Status	Created By	Created On	Date Submitted
Info has been requested from company	Colleen Moore	09/28/2020	09/28/2020

### Response Letters

Responded By	Created On	Date Submitted
Gary Hulet	10/08/2020	10/08/2020

### Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Actuarial Opinion Letter	Reviewer Note	Colleen Moore	07/07/2021	
RRS	Reviewer Note	Colleen Moore	01/07/2021	

**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania  
**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
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## Disposition

Disposition Date: 07/07/2021

Effective Date:

Status: Approved

Comment:

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
United Security Assurance Company of Pennsylvania	922.500%	35.000%	\$22,574	150	\$64,497	35.000%	35.000%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document (revised)	Certification of Compliance/Readability	Received & Acknowledged	Yes
Supporting Document	Product Checklist	Received & Acknowledged	Yes
Supporting Document (revised)	L&H Actuarial Memorandum	Received & Acknowledged	Yes
Supporting Document (revised)	Long Term Care Insurance Rate Request Summary	Received & Acknowledged	Yes
Supporting Document	Submission Letter	Received & Acknowledged	Yes
Supporting Document	Response to Objection 09-28-2020	Received & Acknowledged	Yes
Supporting Document	Statement of Variables	Received & Acknowledged	Yes
Supporting Document	Response to 11/16/2020 Objection USPA-132508445	Received & Acknowledged	Yes
Supporting Document	Response to 12/09/2020 Objection USPA-132508445	Received & Acknowledged	Yes
Supporting Document	Response to 01-08-2021 Objection USPA-132508445	Received & Acknowledged	Yes
Supporting Document	Response to 01-11-2021 Objection USPA-132508445	Received & Acknowledged	Yes
Supporting Document	Response to 02-08-2021 Objection USPA-132508445	Received & Acknowledged	Yes
Supporting Document	Response to 03-29-2021 Objection USPA-132508445	Received & Acknowledged	Yes
Supporting Document	Policyholder information as requested in Objection 06-11-2021 Item #2	Received & Acknowledged	Yes
Supporting Document	Response items for Objections 06-30-2021	Received & Acknowledged	Yes
Supporting Document	Certification of Compliance/Readability	Withdrawn	No
Supporting Document	Certification of Compliance/Readability	Withdrawn	No
Supporting Document	L&H Actuarial Memorandum	Withdrawn	No

**SERFF Tracking #:**

USPA-132508445

**State Tracking #:**

USPA-132508445

**Company Tracking #:**

TRIGON 2020 GROUP RATE INCREASE

**State:** Virginia  
**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing  
**Project Name/Number:** 2020 Trigon Group Rate Increase/

**Filing Company:** United Security Assurance Company of Pennsylvania

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	L&H Actuarial Memorandum	Withdrawn	No
Supporting Document	Long Term Care Insurance Rate Request Summary	Withdrawn	No
Supporting Document	Long Term Care Insurance Rate Request Summary	Withdrawn	No
Supporting Document	Long Term Care Insurance Rate Request Summary	Withdrawn	No
Supporting Document	Long Term Care Insurance Rate Request Summary	Withdrawn	No
Form (revised)	No Form	Withdrawn	No
Form (revised)	N/A	Withdrawn	No
Form (revised)	N/A	Withdrawn	No
Form (revised)	N/A	Withdrawn	No
Form	Policyholder Notification Template	Withdrawn	No
Form	Policyholder Notification 1	Withdrawn	No
Form	2nd Policyholder Notification	Withdrawn	No
Form	3rd Policyholder Notification	Withdrawn	No
Form	Cover Letter Options	Withdrawn	No
Form	Cover Letter Options	Withdrawn	No
Rate (revised)	Current & Proposed Rates	Approved	Yes
Rate	Proposed Rates 1	Withdrawn	No

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**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing  
**Project Name/Number:** 2020 Trigon Group Rate Increase/

## Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	06/30/2021
Submitted Date	06/30/2021
Respond By Date	07/30/2021

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Dear Martha Stephens,

**Introduction:**

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing must be clearly identified and explained in detail. For clarity, multiple changes should be summarized in a cover letter, etc.

### Objection 1

- L&H Actuarial Memorandum (Supporting Document)

Comments: As a follow up to Objection #1 in the Objection letter submitted earlier today, please confirm if both Exhibits 3 and 5 include projected experience using asset adequacy. If this is the case, please also include a lifetime loss ratio projection corresponding to the exhibit demonstrating the 150.6% lifetime loss ratio, but with the 35% increase.

### Conclusion:

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

A response to this request for information is expected within 30 days. After 30 days, the filing will be DISAPPROVED and CLOSED unless an extension is requested. An initial extension of up to 30-days will be granted upon request before the Respond By Date.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed. Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Please let me know if you need additional clarification.

Thank you for your courtesy and consideration in this matter.

Colleen Moore  
Senior Insurance Market Examiner

Sincerely,  
Colleen Moore

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**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania

**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified

**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing

**Project Name/Number:** 2020 Trigon Group Rate Increase/

## Objection Letter

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Objection Letter Status	Info has been requested from company
Objection Letter Date	06/30/2021
Submitted Date	06/30/2021
Respond By Date	07/30/2021

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Dear Martha Stephens,

### Introduction:

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing must be clearly identified and explained in detail. For clarity, multiple changes should be summarized in a cover letter, etc.

### Objection 1

- L&H Actuarial Memorandum (Supporting Document)

Comments: The actuarial exhibits submitted 6/16/21 appear to be missing the loss ratio projection for current experience with no increase (supporting the 150.6% projected lifetime loss ratio figure in the company's Rate Request Summary). Exhibit 3 is the loss ratio based on asset adequacy. Exhibit 5 includes the 35% increase. There is no Exhibit 4. Please attach a loss ratio exhibit without the increase demonstrating the 150.6% projection.

### Objection 2

- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: Please update the wording in the Outlook for Future Increases to be consistent with the Company's position that an additional rate increase will not be requested unless there is significant deterioration in future experience.

### Objection 3

Comments: Please attach a copy of the approved Policy Change Endorsement Form referenced in the Options Cover Letter under Supporting Documentation.

### Objection 4

- Policyholder information as requested in Objection 06-11-2021 Item #2 (Supporting Document)

Comments: We note that the John Doe version of the policyholder notification letter includes, in the last paragraph on page 1, wording that the company anticipates "that additional premium increase(s) will be necessary in the future." Since the intention of the John Doe letter is to demonstrate how the variability in the approved form will be used in conjunction with this filing, please revise this paragraph to include the variable language consistent with the company not anticipating future increases unless experience is worse than expected.

### Conclusion:

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

A response to this request for information is expected within 30 days. After 30 days, the filing will be DISAPPROVED and CLOSED unless an extension is requested. An initial extension of up to 30-days will be granted upon request before the Respond By Date.

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Please let me know if you need additional clarification.

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**Project Name/Number:** 2020 Trigon Group Rate Increase/

*Thank you for your courtesy and consideration in this matter.*

Colleen Moore  
Senior Insurance Market Examiner

Sincerely,  
Colleen Moore

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**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania

**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified

**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing

**Project Name/Number:** 2020 Trigon Group Rate Increase/

## Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	06/11/2021
Submitted Date	06/11/2021
Respond By Date	07/11/2021

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Dear Martha Stephens,

**Introduction:**

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing must be clearly identified and explained in detail. For clarity, multiple changes should be summarized in a cover letter, etc.

**Objection 1**

Comments: 1) Please update the filing for the revised 35% increase and certification as proposed in your note to filer dated 5/10/21. Items to be updated include the actuarial memorandum and accompanying exhibits, the loss ratio projection, the rate tables, the Long Term Care Rate Request Summary, the Company Rate Information on the Rate/Rule Schedule and the overall rate impact on the General Information tab.

2) In the response to Objection #4 dated 11/19/20, the Company indicates it will use the policyholder notification forms approved in USPA-131712591. Please attach copies of the approved forms and the accompanying statements of variability under Supporting Documentation and include John Doe versions of the document(s) as they will be used in conjunction with this filing.

**Conclusion:**

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

A response to this request for information is expected within 30 days. After 30 days, the filing will be DISAPPROVED and CLOSED unless an extension is requested. An initial extension of up to 30-days will be granted upon request before the Respond By Date.

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Please let me know if you need additional clarification.

Thank you for your courtesy and consideration in this matter.

Colleen Moore  
Senior Insurance Market Examiner

Sincerely,

**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania

**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified

**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing

**Project Name/Number:** 2020 Trigon Group Rate Increase/  
Colleen Moore

**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania  
**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing  
**Project Name/Number:** 2020 Trigon Group Rate Increase/

## Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	03/29/2021
Submitted Date	03/29/2021
Respond By Date	04/28/2021

Dear Martha Stephens,

### Introduction:

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing must be clearly identified and explained in detail. For clarity, multiple changes should be summarized in a cover letter, etc.

### Objection 1

- Response to 02-08-2021 Objection USPA-132508445 (Supporting Document)

Comments: 1. Please indicate whether the active life reserve balance as of 12/31/2019 contains any reserve strengthening or additional reserves due to asset adequacy. If so, please provide details.

2. Please comment on the underlying cause of the steep progression of the anticipated lifetime loss ratios in the annual reports filed from 2015-2019: 58%, 87%, 91%, 104%, 145%.

3. Please provide revised projections utilizing the asset adequacy assumptions for future experience.

### Conclusion:

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

A response to this request for information is expected within 30 days. After 30 days, the filing will be DISAPPROVED and CLOSED unless an extension is requested. An initial extension of up to 30-days will be granted upon request before the Respond By Date.

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Please let me know if you need additional clarification.

Thank you for your courtesy and consideration in this matter.

Colleen Moore  
Senior Insurance Market Examiner

Sincerely,  
Colleen Moore

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**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania

**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified

**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing

**Project Name/Number:** 2020 Trigon Group Rate Increase/

## Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	02/08/2021
Submitted Date	02/08/2021
Respond By Date	03/10/2021

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Dear Martha Stephens,

### Introduction:

The Bureau has completed a preliminary review of this filing and has the following concerns and/or requests. A more detailed and thorough review will be performed once these concerns are addressed.

Please note, any revisions, modifications or changes of any type to this filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.

Please respond by the Respond By Date above. If an extension is required, submit your request prior to that date.

### Objection 1

Comments: As discussed in our 2/5/2021 call, the Company provided an Active Life Reserve figure of \$6,073,172 as of 12/31/2019. This is above the present value of future claims in the loss ratio projection, which results in negative future loss ratios after deducting the active life reserve. As a result, in accordance with 14VAC5-200-150 B 11, the Bureau cannot approve an increase on this block with the data provided.

Note: other concerns with the projections included the lack of data on the original assumptions prior to 2009 when the Trigon block was acquired and the minimally credible experience used to true up the morbidity assumption.

Please advise if the Company has additional data supporting the rate increase and include any such data in your response.

### Conclusion:

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues noted above. Upon subsequent review, other concerns may require attention.

**IMPORTANT! PLEASE NOTE:** A response to this objection (or request for information if more applicable) is expected within 30 days. After 30 days, the filing will be DISAPPROVED and CLOSED unless an extension is requested. An initial extension of up to 30-days will be granted upon request before the Respond By Date.

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Should you need clarification, please contact me.

Thank you for your courtesy and consideration in this matter.

Colleen Moore  
Senior Insurance Market Examiner

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Sincerely,  
Colleen Moore

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**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania

**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified

**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing

**Project Name/Number:** 2020 Trigon Group Rate Increase/

## Objection Letter

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Objection Letter Status	Info has been requested from company
Objection Letter Date	01/27/2021
Submitted Date	01/27/2021
Respond By Date	02/26/2021

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Dear Martha Stephens,

**Introduction:**

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.

**Objection 1**

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please update the Actuarial Memorandum attached under L&H Actuarial Memorandum to be the most recent version (the updated version is currently attached as part of the 1/8/21 objection response).

**Conclusion:**

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues noted above. Upon subsequent review, other concerns may require attention.

**IMPORTANT! PLEASE NOTE:** A response to this objection (or request for information if more applicable) is expected within 30 days. After 30 days, the filing will be DISAPPROVED and CLOSED unless an extension is requested. An initial extension of up to 30-days will be granted upon request before the Respond By Date.

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Should you need clarification, please contact me.

Thank you for your courtesy and consideration in this matter.

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Senior Insurance Market Examiner

Sincerely,  
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**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing

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## Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	01/11/2021
Submitted Date	01/11/2021
Respond By Date	02/10/2021

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Dear Martha Stephens,

**Introduction:**

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.

**Objection 1**

- L&H Actuarial Memorandum (Supporting Document)

Comments: 1.Please provide the active life reserve balance as of 12/31/2019 for this block of policies.

2.Please provide a count of the total number of claims to date for this block of policies.

**Conclusion:**

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues noted above. Upon subsequent review, other concerns may require attention.

**IMPORTANT! PLEASE NOTE:** A response to this objection (or request for information if more applicable) is expected within 30 days. After 30 days, the filing will be DISAPPROVED and CLOSED unless an extension is requested. An initial extension of up to 30-days will be granted upon request before the Respond By Date.

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Should you need clarification, please contact me.

Thank you for your courtesy and consideration in this matter.

Colleen Moore  
Senior Insurance Market Examiner

Sincerely,  
Colleen Moore

**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania

**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified

**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing

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## Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	01/07/2021
Submitted Date	01/07/2021
Respond By Date	02/06/2021

Dear Martha Stephens,

### Introduction:

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.

### Objection 1

- Response to Objection 09-28-2020 (Supporting Document)

Comments: Please update sections 1 and 15 of the Actuarial Memorandum for the revised originally anticipated lifetime loss ratio (72.7%) and overall % Indicated change (922.5%), as noted in as noted in the response to Objection 4, #'s 6 and 7.

### Objection 2

- Response to Objection 09-28-2020 (Supporting Document)

Comments: Exhibit 4 - We note that column C under the Projection Numbers tab shows form GLTC-2N91. This filing is for form GLTC-1N91. Please explain this discrepancy.

### Objection 3

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide the average age of the current policyholders.

### Objection 4

- Policyholder Notification Template, VA-RI (Form)

- 2nd Policyholder Notification, VA-RI-2 (Form)

- 3rd Policyholder Notification, VA-RI-3 (Form)

- Cover Letter Options, TRI-CL2020 (Form)

Comments: In the response to Objection #4 dated 11/19/20, the Company indicates it will use the policyholder notification forms currently being reviewed in USPA-131712591. Therefore, please remove the notification forms from the Form Schedule tab. When the forms are approved under USPA-131712591, attach copies of the approved forms and the accompanying statements of variability under Supporting Documentation.

### Conclusion:

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues noted above. Upon subsequent review, other concerns may require attention.

**IMPORTANT! PLEASE NOTE:** A response to this objection (or request for information if more applicable) is expected within 30 days. After 30 days, the filing will be DISAPPROVED and CLOSED unless an extension is requested. An initial extension of up to 30-days will be granted upon request before the Respond By Date.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed. Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

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**State:** Virginia **Filing Company:** United Security Assurance Company of  
Pennsylvania

**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified

**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing

**Project Name/Number:** 2020 Trigon Group Rate Increase/

*Should you need clarification, please contact me.*

*Thank you for your courtesy and consideration in this matter.*

Colleen Moore  
Senior Insurance Market Examiner

Sincerely,  
Colleen Moore

**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania  
**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing  
**Project Name/Number:** 2020 Trigon Group Rate Increase/

## Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	12/09/2020
Submitted Date	12/09/2020
Respond By Date	01/08/2021

Dear Martha Stephens,

### Introduction:

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.

### Objection 1

- Response to Objection 09-28-2020 (Supporting Document)
- L&H Actuarial Memorandum (Supporting Document)

Comments: 1. The actuarial memorandum indicates that the future lapse rate is 1.0%. However, the Oct 9, 2020 response letter indicates in the response to Objection 4.1 that the projection uses a 2% lapse rate. Please reconcile.

2. The true-up methodology used in the projection spreadsheet, which uses only the most recent year of experience to set all future claims, is based on data which has almost no credibility and has much volatility from year to year. We do not believe that this is a reasonable method for setting the future claims assumption.

3. Exhibit 13D indicates that there is no indication of anticipated loss ratios in the original actuarial memorandum. Please explain the source of the data in Exhibit 2 showing 20 years of loss ratios.

4. Please explain the significance of the 7.40% interest rate in the calculation spreadsheet for the MN Method.

5. The Bureau does not allow rate increases to be justified by changes in interest rate. Please use the average valuation interest rate in all calculations, including the TX and MN methods.

6. Please incorporate the Cost Sharing formula into the MN Method.

### Conclusion:

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues noted above. Upon subsequent review, other concerns may require attention.

**IMPORTANT! PLEASE NOTE:** A response to this objection (or request for information if more applicable) is expected within 30 days. After 30 days, the filing will be DISAPPROVED and CLOSED unless an extension is requested. An initial extension of up to 30-days will be granted upon request before the Respond By Date.

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Should you need clarification, please contact me.

**State:** Virginia **Filing Company:** United Security Assurance Company of  
Pennsylvania

**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified

**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing

**Project Name/Number:** 2020 Trigon Group Rate Increase/

*Thank you for your courtesy and consideration in this matter.*

Colleen Moore  
Senior Insurance Market Examiner

Sincerely,  
Colleen Moore

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**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania  
**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing  
**Project Name/Number:** 2020 Trigon Group Rate Increase/

## Objection Letter

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Objection Letter Status	Info has been requested from company
Objection Letter Date	11/16/2020
Submitted Date	11/16/2020
Respond By Date	12/16/2020

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Dear Martha Stephens,

### Introduction:

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.

### Objection 1

Comments: General Information and Rate/Rule Schedule Tabs - Using a post submission update, please update the references to the 1027% increase to reflect the revised 922.5% figure.

### Objection 2

- Proposed Rates 1, [GLTC-1N91] (Rate)

Comments: The previously approved filing submitted in the 10/8/20 objection response includes rates for a return of premium option which are not included in the current filing. Please explain this discrepancy.

### Objection 3

- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: In the response to Objection 2 dated 10/8/20, the Company indicates the Issue Dates in the Rate Request Summary (1992 - 2004) reflect the policies included in this filing. Section 2 of the Actuarial Memorandum specifies that the policy issued 11/2004 was removed from this filing and the proposed rate increase will not apply to this policy. Please resolve this discrepancy.

### Objection 4

- Certification of Compliance/Readability (Supporting Document)

Comments: As the filing includes the policyholder notification forms, please update the certificate of compliance for compliance with 14VAC5-101-110.

### Conclusion:

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues noted above. Upon subsequent review, other concerns may require attention.

**IMPORTANT! PLEASE NOTE:** A response to this objection (or request for information if more applicable) is expected within 30 days. After 30 days, the filing will be DISAPPROVED and CLOSED unless an extension is requested. An initial extension of up to 30-days will be granted upon request before the Respond By Date.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed. Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Should you need clarification, please contact me.

Thank you for your courtesy and consideration in this matter.

**State:** Virginia **Filing Company:** United Security Assurance Company of  
Pennsylvania  
**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing  
**Project Name/Number:** 2020 Trigon Group Rate Increase/

Colleen Moore  
Senior Insurance Market Examiner

Sincerely,  
Colleen Moore

**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania  
**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing  
**Project Name/Number:** 2020 Trigon Group Rate Increase/

## Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	09/28/2020
Submitted Date	09/28/2020
Respond By Date	10/28/2020

Dear Martha Stephens,

### Introduction:

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.

### Objection 1

Comments: Since there have been no previous rate increase filings and the original filing predates SERFF, please attach a copy of the originally approved rate filing under supporting documentation.

### Objection 2

- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: 1) Please revise the Issue Dates to cover only those policies included in this filing.

2) Please reattach the Rate Request Summary including the page 2 summary narrative which explains the reason for the rate increase in clear, consumer-friendly language.

### Objection 3

- Certification of Compliance/Readability (Supporting Document)

Comments: Please attach the Certificate of Compliance pursuant to 14VAC5-101-110.

### Objection 4

- L&H Actuarial Memorandum (Supporting Document)

Comments: 1) Please advise if the actuarial assumptions associated with the rate increase request are consistent with the assumptions embedded in the most recent asset adequacy testing. If not, either make the appropriate revisions or explain any discrepancies.

2) Please provide sufficient detail or documentation so that any projections can be recreated. Please provide a copy of all projections in Excel with working formulas.

3) Please confirm that these forms were only sold in Virginia.

4) Please provide an actual-to-expected analysis on the original assumptions and those included in the current filing.

5) Please provide a loss ratio projection (both past and future) which reflects all the original pricing assumptions for interest, mortality, morbidity, persistency and premium scale, but uses the actual distribution of policies as issued rather than the originally assumed mix of business.

6) Please confirm the originally filed anticipated lifetime loss ratio. Section 15 indicates the lifetime loss ratio in the original filing was slightly over 60%. The attachment GLTC-2N91 Act Memo.PDF submitted 12/2/2016 in SERFF filing USPA-130626515 indicates 72.7%.

**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania

**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified

**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing

**Project Name/Number:** 2020 Trigon Group Rate Increase/

- 7) The filing indicates the Overall % Indicated Change is 1027%. Please explain why the Company has not previously filed for an increase.
- 8) Section 15 indicates experience prior to 2010 has been set equal to 2010. Is actual experience prior to 2010 unavailable?
- 9) What steps have been taken to minimize rate increases on this block of business
- 10) Please include a description of the basis for the reserves and justification for the reserve levels provided.
- 11) Please provide all projections required to calculate the increase allowed under the Prospective Present Value Approach (Texas Method) and the Blended If-Knew/Make-up Approach (Minnesota Method).

**Conclusion:**

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues noted above. Upon subsequent review, other concerns may require attention.

**IMPORTANT! PLEASE NOTE:** A response to this objection (or request for information if more applicable) is expected within 30 days. After 30 days, the filing will be DISAPPROVED and CLOSED unless an extension is requested. An initial extension of up to 30-days will be granted upon request before the Respond By Date.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed. Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Should you need clarification, please contact me.

Thank you for your courtesy and consideration in this matter.

Colleen Moore  
Insurance Market Examiner

Sincerely,  
Colleen Moore

State: Virginia Filing Company: United Security Assurance Company of Pennsylvania

TOI/Sub-TOI: LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified

Product Name: Trigon VA 2020 Group LTC Business Rate Increase Filing

Project Name/Number: 2020 Trigon Group Rate Increase/

## Response Letter

Response Letter Status Submitted to State

Response Letter Date 07/06/2021

Submitted Date 07/06/2021

Dear Colleen Moore,

**Introduction:**

**Response 1**

**Comments:**

*This item is included with the response to the first 6-30-2021 objection response.*

**Related Objection 1**

*Applies To:*

*- L&H Actuarial Memorandum (Supporting Document)*

*Comments: As a follow up to Objection #1 in the Objection letter submitted earlier today, please confirm if both Exhibits 3 and 5 include projected experience using asset adequacy. If this is the case, please also include a lifetime loss ratio projection corresponding to the exhibit demonstrating the 150.6% lifetime loss ratio, but with the 35% increase.*

**Changed Items:**

*No Supporting Documents changed.*

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

**Conclusion:**

Sincerely,  
Gary Hulet

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**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania  
**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing  
**Project Name/Number:** 2020 Trigon Group Rate Increase/

## Response Letter

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Response Letter Status	Submitted to State
Response Letter Date	07/06/2021
Submitted Date	07/06/2021

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Dear Colleen Moore,

### **Introduction:**

### **Response 1**

#### **Comments:**

Please see response letter and items submitted under Supporting Documents.

### **Related Objection 1**

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: The actuarial exhibits submitted 6/16/21 appear to be missing the loss ratio projection for current experience with no increase (supporting the 150.6% projected lifetime loss ratio figure in the company's Rate Request Summary). Exhibit 3 is the loss ratio based on asset adequacy. Exhibit 5 includes the 35% increase. There is no Exhibit 4. Please attach a loss ratio exhibit without the increase demonstrating the 150.6% projection.

### **Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

### **Response 2**

#### **Comments:**

Please see response letter and items submitted under Supporting Documents.

### **Related Objection 2**

Applies To:

- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: Please update the wording in the Outlook for Future Increases to be consistent with the Company's position that an additional rate increase will not be requested unless there is significant deterioration in future experience.

State: Virginia Filing Company: United Security Assurance Company of Pennsylvania  
 TOI/Sub-TOI: LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
 Product Name: Trigon VA 2020 Group LTC Business Rate Increase Filing  
 Project Name/Number: 2020 Trigon Group Rate Increase/

**Changed Items:**

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Long Term Care Insurance Rate Request Summary
<b>Comments:</b>	
<b>Attachment(s):</b>	ltcratereq_sum final2.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Long Term Care Insurance Rate Request Summary</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>ltcratereq_sum final.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Long Term Care Insurance Rate Request Summary</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>ltcratereq_sum v3.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Long Term Care Insurance Rate Request Summary</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>ltcratereq_sum v2.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Long Term Care Insurance Rate Request Summary</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>ltcratereq_sum.pdf</i>

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Response 3**

**Comments:**

Please see response letter and items submitted under Supporting Documents.

**Related Objection 3**

Comments: Please attach a copy of the approved Policy Change Endorsement Form referenced in the Options Cover Letter under Supporting Documentation.

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**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania  
**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing  
**Project Name/Number:** 2020 Trigon Group Rate Increase/

**Changed Items:**

*No Supporting Documents changed.*

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

**Response 4****Comments:**

*Please see response letter and items submitted under Supporting Documents.*

**Related Objection 4**

*Applies To:*

*- Policyholder information as requested in Objection 06-11-2021 Item #2 (Supporting Document)*

*Comments: We note that the John Doe version of the policyholder notification letter includes, in the last paragraph on page 1, wording that the company anticipates "that additional premium increase(s) will be necessary in the future." Since the intention of the John Doe letter is to demonstrate how the variability in the approved form will be used in conjunction with this filing, please revise this paragraph to include the variable language consistent with the company not anticipating future increases unless experience is worse than expected.*

**Changed Items:**

*No Supporting Documents changed.*

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

**Conclusion:**

Sincerely,  
Gary Hulet

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**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania  
**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing  
**Project Name/Number:** 2020 Trigon Group Rate Increase/

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	06/16/2021
Submitted Date	06/16/2021

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Dear Colleen Moore,

### **Introduction:**

### **Response 1**

#### **Comments:**

- 1) I have updated the actual memorandum and accompanying exhibits (the loss ratio projection is included in the exhibits). I have updated the rate tables and the LTC rate request summary. The rate information and general information has been updated via a post-submission update.
- 2) Under supporting documents I have included the 2 approved letter forms, the approved statement of variability, and 2 John Doe versions of the letters for this filing.

### **Related Objection 1**

Comments: 1) Please update the filing for the revised 35% increase and certification as proposed in your note to filer dated 5/10/21. Items to be updated include the actuarial memorandum and accompanying exhibits, the loss ratio projection, the rate tables, the Long Term Care Rate Request Summary, the Company Rate Information on the Rate/Rule Schedule and the overall rate impact on the General Information tab.

- 2) In the response to Objection #4 dated 11/19/20, the Company indicates it will use the policyholder notification forms approved in USPA-131712591. Please attach copies of the approved forms and the accompanying statements of variability under Supporting Documentation and include John Doe versions of the document(s) as they will be used in conjunction with this filing.

### **Changed Items:**

SERFF Tracking #:

USPA-132508445

State Tracking #:

USPA-132508445

Company Tracking #:

TRIGON 2020 GROUP RATE INCREASE

**State:** Virginia  
**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing  
**Project Name/Number:** 2020 Trigon Group Rate Increase/

**Filing Company:** United Security Assurance Company of Pennsylvania

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	L&H Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	VA TGN 2020 Rate Increase Actuarial Memo_GLTC 35%.pdf VA TGN GLTC 35% Exhibits.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA TGN GLTC Exhibits.pdf VA TGN 2020 Rate Increase Actuarial Memo_GLTC Updated.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA TGN 2020 Rate Increase Actuarial Memo_GLTC.pdf VA TGN GLTC Exhibits.pdf</i>

**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania  
**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing  
**Project Name/Number:** 2020 Trigon Group Rate Increase/

### Supporting Document Schedule Item Changes

<b>Satisfied - Item:</b>	L&H Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	VA TGN 2020 Rate Increase Actuarial Memo_GLTC 35%.pdf VA TGN GLTC 35% Exhibits.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA TGN GLTC Exhibits.pdf</i> <i>VA TGN 2020 Rate Increase Actuarial Memo_GLTC Updated.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA TGN 2020 Rate Increase Actuarial Memo_GLTC.pdf</i> <i>VA TGN GLTC Exhibits.pdf</i>

<b>Satisfied - Item:</b>	Policyholder information as requested in Objection 06-11-2021 Item #2
<b>Comments:</b>	As requested, I have attached copies of the approved forms and the accompanying statement of variability under Supporting Documentation and included John Doe versions of the document(s) as they will be used in conjunction with this filing.
<b>Attachment(s):</b>	VA-RI_032421.pdf VA-RI-1 - John Doe.pdf TRI-CL2020 Options Cover Letter_033121.pdf TRI-CL2020 Options Cover Letter_JohnDoe.pdf Statement of variables Forms VA-RI and TRI-CL2020_03-31-21.pdf

**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania  
**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing  
**Project Name/Number:** 2020 Trigon Group Rate Increase/

### Supporting Document Schedule Item Changes

<b>Satisfied - Item:</b>	L&H Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	VA TGN 2020 Rate Increase Actuarial Memo_GLTC 35%.pdf VA TGN GLTC 35% Exhibits.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA TGN GLTC Exhibits.pdf VA TGN 2020 Rate Increase Actuarial Memo_GLTC Updated.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA TGN 2020 Rate Increase Actuarial Memo_GLTC.pdf VA TGN GLTC Exhibits.pdf</i>

<b>Satisfied - Item:</b>	Policyholder information as requested in Objection 06-11-2021 Item #2
<b>Comments:</b>	As requested, I have attached copies of the approved forms and the accompanying statement of variability under Supporting Documentation and included John Doe versions of the document(s) as they will be used in conjunction with this filing.
<b>Attachment(s):</b>	VA-RI_032421.pdf VA-RI-1 - John Doe.pdf TRI-CL2020 Options Cover Letter_033121.pdf TRI-CL2020 Options Cover Letter_JohnDoe.pdf Statement of variables Forms VA-RI and TRI-CL2020_03-31-21.pdf

<b>Satisfied - Item:</b>	Long Term Care Insurance Rate Request Summary
<b>Comments:</b>	
<b>Attachment(s):</b>	ltcratereq_sum final.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Long Term Care Insurance Rate Request Summary</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>ltcratereq_sum v3.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Long Term Care Insurance Rate Request Summary</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>ltcratereq_sum v2.pdf</i>

SERFF Tracking #:

USPA-132508445

State Tracking #:

USPA-132508445

Company Tracking #:

TRIGON 2020 GROUP RATE INCREASE

**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania  
**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing  
**Project Name/Number:** 2020 Trigon Group Rate Increase/

*Previous Version*

<b>Satisfied - Item:</b>	<i>Long Term Care Insurance Rate Request Summary</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>ltcratereq_sum.pdf</i>

No Form Schedule items changed.

**Rate/Rule Schedule Item Changes**

Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	Current & Proposed Rates	GLTC-1N91	Revised	Previous State Filing Number:  Percent Rate Change Request: 35	Exh 4A.pdf, Exh 4B.pdf,	06/16/2021 By: Gary Hulet
<i>Previous Version</i>						
1	<i>Proposed Rates 1</i>	<i>GLTC-1N91</i>	<i>Revised</i>	<i>Previous State Filing Number:  Percent Rate Change Request: 100.801</i>	<i>Rate Incr 1.pdf, Rate Incr 2.pdf, Rate Incr 3.pdf,</i>	<i>08/28/2020 By: Gary Hulet</i>

**Conclusion:**

Please let me know if anything else is needed.

Sincerely,  
Gary Hulet

**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania  
**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing  
**Project Name/Number:** 2020 Trigon Group Rate Increase/

## Response Letter

Response Letter Status Submitted to State  
 Response Letter Date 04/07/2021  
 Submitted Date 04/07/2021

Dear Colleen Moore,

### Introduction:

### Response 1

#### Comments:

Please refer to the response document and exhibits submitted under Supporting Documents.

### Related Objection 1

Applies To:

- Response to 02-08-2021 Objection USPA-132508445 (Supporting Document)

Comments: 1.Please indicate whether the active life reserve balance as of 12/31/2019 contains any reserve strengthening or additional reserves due to asset adequacy. If so, please provide details.

2.Please comment on the underlying cause of the steep progression of the anticipated lifetime loss ratios in the annual reports filed from 2015-2019: 58%, 87%, 91%, 104%, 145%.

3.Please provide revised projections utilizing the asset adequacy assumptions for future experience.

### Changed Items:

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Response to 03-29-2021 Objection USPA-132508445
<b>Comments:</b>	
<b>Attachment(s):</b>	VA Trigon GLTC Objection 03-29-2021_response.pdf Revised Exhibit 3.pdf Revised Exhibit 5.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

### Conclusion:

**SERFF Tracking #:**

USPA-132508445

**State Tracking #:**

USPA-132508445

**Company Tracking #:**

TRIGON 2020 GROUP RATE INCREASE

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**State:**

Virginia

**Filing Company:**

United Security Assurance Company of Pennsylvania

**TOI/Sub-TOI:**

LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified

**Product Name:**

Trigon VA 2020 Group LTC Business Rate Increase Filing

**Project Name/Number:**

2020 Trigon Group Rate Increase/

Sincerely,

Gary Hulet

**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania  
**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing  
**Project Name/Number:** 2020 Trigon Group Rate Increase/

## Response Letter

Response Letter Status Submitted to State  
 Response Letter Date 03/01/2021  
 Submitted Date 03/01/2021

Dear Colleen Moore,

### Introduction:

### Response 1

#### Comments:

Please see response under Supporting Documents

### Related Objection 1

*Comments: As discussed in our 2/5/2021 call, the Company provided an Active Life Reserve figure of \$6,073,172 as of 12/31/2019. This is above the present value of future claims in the loss ratio projection, which results in negative future loss ratios after deducting the active life reserve. As a result, in accordance with 14VAC5-200-150 B 11, the Bureau cannot approve an increase on this block with the data provided.*

*Note: other concerns with the projections included the lack of data on the original assumptions prior to 2009 when the Trigon block was acquired and the minimally credible experience used to true up the morbidity assumption.*

Please advise if the Company has additional data supporting the rate increase and include any such data in your response.

### Changed Items:

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Response to 02-08-2021 Objection USPA-132508445
<b>Comments:</b>	
<b>Attachment(s):</b>	VA Trigon GLTC Objection 02-08-2021_response.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

### Conclusion:

**SERFF Tracking #:**

USPA-132508445

**State Tracking #:**

USPA-132508445

**Company Tracking #:**

TRIGON 2020 GROUP RATE INCREASE

---

**State:**

Virginia

**Filing Company:**

United Security Assurance Company of Pennsylvania

**TOI/Sub-TOI:**

LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified

**Product Name:**

Trigon VA 2020 Group LTC Business Rate Increase Filing

**Project Name/Number:**

2020 Trigon Group Rate Increase/

Sincerely,

Gary Hulet

**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania  
**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing  
**Project Name/Number:** 2020 Trigon Group Rate Increase/

## Response Letter

Response Letter Status Submitted to State  
 Response Letter Date 01/27/2021  
 Submitted Date 01/27/2021

Dear Colleen Moore,

### Introduction:

### Response 1

#### Comments:

I have added the updated Actuarial Memorandum of 1/8/2021 under the L&H Actuarial Memorandum section of Supporting Documents.

### Related Objection 1

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please update the Actuarial Memorandum attached under L&H Actuarial Memorandum to be the most recent version (the updated version is currently attached as part of the 1/8/21 objection response).

### Changed Items:

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	L&H Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	VA TGN GLTC Exhibits.pdf VA TGN 2020 Rate Increase Actuarial Memo_GLTC Updated.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	L&H Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	VA TGN 2020 Rate Increase Actuarial Memo_GLTC.pdf VA TGN GLTC Exhibits.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

### Conclusion:

**SERFF Tracking #:**

USPA-132508445

**State Tracking #:**

USPA-132508445

**Company Tracking #:**

TRIGON 2020 GROUP RATE INCREASE

---

**State:**

Virginia

**Filing Company:**

United Security Assurance Company of Pennsylvania

**TOI/Sub-TOI:**

LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified

**Product Name:**

Trigon VA 2020 Group LTC Business Rate Increase Filing

**Project Name/Number:**

2020 Trigon Group Rate Increase/

Sincerely,

Gary Hulet

**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania  
**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing  
**Project Name/Number:** 2020 Trigon Group Rate Increase/

## Response Letter

Response Letter Status Submitted to State  
 Response Letter Date 01/12/2021  
 Submitted Date 01/12/2021

Dear Colleen Moore,

### Introduction:

### Response 1

#### Comments:

Please see included response from Supporting Documents.

### Related Objection 1

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: 1.Please provide the active life reserve balance as of 12/31/2019 for this block of policies.

2.Please provide a count of the total number of claims to date for this block of policies.

### Changed Items:

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Response to 01-11-2021 Objection USPA-132508445
<b>Comments:</b>	
<b>Attachment(s):</b>	VA Trigon GLTC Objection 01-11-2021_response.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

### Conclusion:

Sincerely,  
 Gary Hulet

State: Virginia Filing Company: United Security Assurance Company of Pennsylvania  
TOI/Sub-TOI: LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
Product Name: Trigon VA 2020 Group LTC Business Rate Increase Filing  
Project Name/Number: 2020 Trigon Group Rate Increase/

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 01/12/2021  
Submitted Date 01/12/2021

Dear Colleen Moore,

### Introduction:

### Response 1

#### Comments:

Please see response memo under Supporting Documents.

### Related Objection 1

Applies To:

- Response to Objection 09-28-2020 (Supporting Document)

Comments: Please update sections 1 and 15 of the Actuarial Memorandum for the revised originally anticipated lifetime loss ratio (72.7%) and overall % Indicated change (922.5%), as noted in as noted in the response to Objection 4, #'s 6 and 7.

### Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

### Response 2

#### Comments:

Please see response memo under Supporting Documents.

### Related Objection 2

Applies To:

- Response to Objection 09-28-2020 (Supporting Document)

Comments: Exhibit 4 - We note that column C under the Projection Numbers tab shows form GLTC-2N91. This filing is for form GLTC-1N91. Please explain this discrepancy.

### Changed Items:

---

<b>State:</b>	Virginia	<b>Filing Company:</b>	United Security Assurance Company of Pennsylvania
<b>TOI/Sub-TOI:</b>	LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified		
<b>Product Name:</b>	Trigon VA 2020 Group LTC Business Rate Increase Filing		
<b>Project Name/Number:</b>	2020 Trigon Group Rate Increase/		

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

### Response 3

#### Comments:

Please see response memo under Supporting Documents.

### Related Objection 3

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide the average age of the current policyholders.

### Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

### Response 4

#### Comments:

Please see response memo under Supporting Documents.

### Related Objection 4

Applies To:

- 2nd Policyholder Notification, VA-RI-2 (Form)

- 3rd Policyholder Notification, VA-RI-3 (Form)

- Cover Letter Options, TRI-CL2020 (Form)

- Policyholder Notification Template, VA-RI (Form)

Comments: In the response to Objection #4 dated 11/19/20, the Company indicates it will use the policyholder notification forms currently being reviewed in USPA-131712591. Therefore, please remove the notification forms from the Form Schedule tab. When the forms are approved under USPA-131712591, attach copies of the approved forms and the accompanying statements of variability under Supporting Documentation.

### Changed Items:

State: Virginia Filing Company: United Security Assurance Company of Pennsylvania  
TOI/Sub-TOI: LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
Product Name: Trigon VA 2020 Group LTC Business Rate Increase Filing  
Project Name/Number: 2020 Trigon Group Rate Increase/

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to 01-08-2021 Objection USPA-132508445
Comments:	
Attachment(s):	VA Trigon GLTC Objection 01-08-2021_response.pdf VA TGN 2020 Rate Increase Actuarial Memo_GLTC Updated.pdf

**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania  
**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing  
**Project Name/Number:** 2020 Trigon Group Rate Increase/

Form Schedule Item Changes								
Item No.	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments	Submitted
1	No Form		OTH	Other	removed			Date Submitted: 01/12/2021 By: Gary Hulet
<i>Previous Version</i>								
1	Policyholder Notification Template	VA-RI	OTH	Revised	Previous Filing Number: Replaced Form Number: Replaced Edition Date:		VA-RI Form.pdf	Date Submitted: 11/20/2020 By: Gary Hulet
<i>Previous Version</i>								
1	Policyholder Notification 1	VA-RI-1	OTH	Initial			VA 1st Policyholder Letter June 2020.pdf	Date Submitted: 08/28/2020 By: Gary Hulet
2	N/A		OTH	Other	removed letter			Date Submitted: 01/12/2021 By: Gary Hulet
<i>Previous Version</i>								
2	2nd Policyholder Notification	VA-RI-2	OTH	Initial			VA 2nd Policyholder Letter June 2020.pdf	Date Submitted: 08/28/2020 By: Gary Hulet
3	N/A		OTH	Other	removed letter			Date Submitted: 01/12/2021 By: Gary Hulet
<i>Previous Version</i>								
3	3rd Policyholder Notification	VA-RI-3	OTH	Initial			VA 3rd Policyholder Letter June 2020.pdf	Date Submitted: 08/28/2020 By: Gary Hulet
4	N/A		OTH	Other	removed			Date Submitted: 01/12/2021 By: Gary Hulet
<i>Previous Version</i>								

SERFF Tracking #:

USPA-132508445

State Tracking #:

USPA-132508445

Company Tracking #:

TRIGON 2020 GROUP RATE INCREASE

State: Virginia

Filing Company: United Security Assurance Company of Pennsylvania

TOI/Sub-TOI: LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified

Product Name: Trigon VA 2020 Group LTC Business Rate Increase Filing

Project Name/Number: 2020 Trigon Group Rate Increase/

## Form Schedule Item Changes

Item No.	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments	Submitted
1	No Form		OTH	Other	removed			Date Submitted: 01/12/2021 By: Gary Hulet
4	Cover Letter Options	TRI-CL2020	OTH	Initial			TRI-CL2020 Options Cover Letter.pdf	Date Submitted: 11/20/2020 By: Gary Hulet
<i>Previous Version</i>								
4	Cover Letter Options	TRI-CL2020	OTH	Initial			TRI-CL2020 Options Cover Letter.pdf	Date Submitted: 08/28/2020 By: Gary Hulet

No Rate/Rule Schedule items changed.

**Conclusion:**

Sincerely,  
Gary Hulet

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**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania  
**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing  
**Project Name/Number:** 2020 Trigon Group Rate Increase/

## Response Letter

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Response Letter Status	Submitted to State
Response Letter Date	12/11/2020
Submitted Date	12/11/2020

---

Dear Colleen Moore,

### **Introduction:**

### **Response 1**

#### **Comments:**

Please see response items under Supporting Documents

### **Related Objection 1**

Applies To:

- L&H Actuarial Memorandum (Supporting Document)
- Response to Objection 09-28-2020 (Supporting Document)

Comments: 1.The actuarial memorandum indicates that the future lapse rate is 1.0%. However, the Oct 9, 2020 response letter indicates in the response to Objection 4.1 that the projection uses a 2% lapse rate. Please reconcile.

2.The true-up methodology used in the projection spreadsheet, which uses only the most recent year of experience to set all future claims, is based on data which has almost no credibility and has much volatility from year to year. We do not believe that this is a reasonable method for setting the future claims assumption.

3.Exhibit 13D indicates that there is no indication of anticipated loss ratios in the original actuarial memorandum. Please explain the source of the data in Exhibit 2 showing 20 years of loss ratios.

4.Please explain the significance of the 7.40% interest rate in the calculation spreadsheet for the MN Method.

5.The Bureau does not allow rate increases to be justified by changes in interest rate. Please use the average valuation interest rate in all calculations, including the TX and MN methods.

6.Please incorporate the Cost Sharing formula into the MN Method.

### **Changed Items:**

SERFF Tracking #:

USPA-132508445

State Tracking #:

USPA-132508445

Company Tracking #:

TRIGON 2020 GROUP RATE INCREASE

**State:** Virginia  
**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing  
**Project Name/Number:** 2020 Trigon Group Rate Increase/

**Filing Company:** United Security Assurance Company of Pennsylvania

**Supporting Document Schedule Item Changes**

<b>Satisfied - Item:</b>	Response to 12/09/2020 Objection USPA-132508445
<b>Comments:</b>	
<b>Attachment(s):</b>	VA Trigon GLTC Objection 12-09-2020_response.pdf MN Method updated.xlsx

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

**Conclusion:**

Sincerely,  
Gary Hulet

**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania  
**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing  
**Project Name/Number:** 2020 Trigon Group Rate Increase/

## Response Letter

Response Letter Status Submitted to State  
 Response Letter Date 11/20/2020  
 Submitted Date 11/20/2020

Dear Colleen Moore,

### Introduction:

### Response 1

#### Comments:

A post-submission update has been submitted reflecting the requested change.

### Related Objection 1

Comments: General Information and Rate/Rule Schedule Tabs - Using a post submission update, please update the references to the 1027% increase to reflect the revised 922.5% figure.

### Changed Items:

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Response to 11/16/2020 Objection USPA-132508445
<b>Comments:</b>	
<b>Attachment(s):</b>	VA Trigon GLTC Objection 11-16-2020_response.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

### Response 2

#### Comments:

Please see response letter under Supporting Documents

### Related Objection 2

Applies To:

- Proposed Rates 1, [GLTC-1N91] (Rate)

Comments: The previously approved filing submitted in the 10/8/20 objection response includes rates for a return of premium option which are not included in the current filing. Please explain this discrepancy.

**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania  
**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing  
**Project Name/Number:** 2020 Trigon Group Rate Increase/

**Changed Items:**

- No Supporting Documents changed.
- No Form Schedule items changed.
- No Rate/Rule Schedule items changed.

**Response 3**

**Comments:**

Please see response letter under Supporting Documents. A corrected Rate Request Summary has been submitted.

**Related Objection 3**

Applies To:

- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: In the response to Objection 2 dated 10/8/20, the Company indicates the Issue Dates in the Rate Request Summary (1992 - 2004) reflect the policies included in this filing. Section 2 of the Actuarial Memorandum specifies that the policy issued 11/2004 was removed from this filing and the proposed rate increase will not apply to this policy. Please resolve this discrepancy.

**Changed Items:**

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Long Term Care Insurance Rate Request Summary
<b>Comments:</b>	
<b>Attachment(s):</b>	ltcratereq_sum v3.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	Long Term Care Insurance Rate Request Summary
<b>Comments:</b>	
<b>Attachment(s):</b>	ltcratereq_sum v2.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	Long Term Care Insurance Rate Request Summary
<b>Comments:</b>	
<b>Attachment(s):</b>	ltcratereq_sum.pdf

No Form Schedule items changed.

**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania  
**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing  
**Project Name/Number:** 2020 Trigon Group Rate Increase/

No Rate/Rule Schedule items changed.

#### Response 4

##### Comments:

Please see response letter and attached items.

#### Related Objection 4

Applies To:

- Certification of Compliance/Readability (Supporting Document)

Comments: As the filing includes the policyholder notification forms, please update the certificate of compliance for compliance with 14VAC5-101-110.

#### Changed Items:

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Certification of Compliance/Readability
<b>Comments:</b>	
<b>Attachment(s):</b>	Cert of Compliance_11-18-20_signed.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Certification of Compliance/Readability</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>Cert of Compliance._10-05-20.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Certification of Compliance/Readability</i>
<b>Comments:</b>	<i>See Form Schedule Tab.</i>
<b>Attachment(s):</b>	

**SERFF Tracking #:**

USPA-132508445

**State Tracking #:**

USPA-132508445

**Company Tracking #:**

TRIGON 2020 GROUP RATE INCREASE

**State:** Virginia  
**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing  
**Project Name/Number:** 2020 Trigon Group Rate Increase/

**Filing Company:** United Security Assurance Company of Pennsylvania**Supporting Document Schedule Item Changes**

<b>Satisfied - Item:</b>	Certification of Compliance/Readability
<b>Comments:</b>	
<b>Attachment(s):</b>	Cert of Compliance_11-18-20_signed.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Certification of Compliance/Readability</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>Cert of Compliance._10-05-20.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Certification of Compliance/Readability</i>
<b>Comments:</b>	<i>See Form Schedule Tab.</i>
<b>Attachment(s):</b>	

<b>Satisfied - Item:</b>	Statement of Variables
<b>Comments:</b>	Statement of Variables for Forms VA-RI and TRI-CL2020
<b>Attachment(s):</b>	Statement of variables Forms VA-RI and TRI-CL2020.pdf Option samples Ver 3 11052020.pdf

SERFF Tracking #:

USPA-132508445

State Tracking #:

USPA-132508445

Company Tracking #:

TRIGON 2020 GROUP RATE INCREASE

State: Virginia

Filing Company: United Security Assurance Company of Pennsylvania

TOI/Sub-TOI: LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified

Product Name: Trigon VA 2020 Group LTC Business Rate Increase Filing

Project Name/Number: 2020 Trigon Group Rate Increase/

## Form Schedule Item Changes

Item No.	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments	Submitted
1	Policyholder Notification Template	VA-RI	OTH	Revised	Previous Filing Number: Replaced Form Number: Replaced Edition Date:		VA-RI Form.pdf	Date Submitted: 11/20/2020 By: Gary Hulet
<i>Previous Version</i>								
1	Policyholder Notification 1	VA-RI-1	OTH	Initial			VA 1st Policyholder Letter June 2020.pdf	Date Submitted: 08/28/2020 By: Gary Hulet
2	Cover Letter Options	TRI-CL2020	OTH	Initial			TRI-CL2020 Options Cover Letter.pdf	Date Submitted: 11/20/2020 By: Gary Hulet
<i>Previous Version</i>								
2	Cover Letter Options	TRI-CL2020	OTH	Initial			TRI-CL2020 Options Cover Letter.pdf	Date Submitted: 08/28/2020 By: Gary Hulet

No Rate/Rule Schedule items changed.

**Conclusion:**Sincerely,  
Gary Hulet

**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania  
**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing  
**Project Name/Number:** 2020 Trigon Group Rate Increase/

## Response Letter

Response Letter Status Submitted to State  
 Response Letter Date 10/08/2020  
 Submitted Date 10/08/2020

Dear Colleen Moore,

### Introduction:

### Response 1

#### Comments:

Please see Objection Response letter and files under Supporting Documents which address all objections and comments.

### Related Objection 1

Comments: Since there have been no previous rate increase filings and the original filing predates SERFF, please attach a copy of the originally approved rate filing under supporting documentation.

### Changed Items:

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Response to Objection 09-28-2020
<b>Comments:</b>	
<b>Attachment(s):</b>	GLTC-2N91 Act Memo.PDF Exhibit 4.xlsx Pricing Projection.xlsx Exhibit 13.xlsx TX Method.xlsx MN Method.xlsx VA Trigon GLTC Objection 09-28-2020_response.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

### Response 2

#### Comments:

Please see Objection Response letter and files under Supporting Documents which address all objections and comments.

### Related Objection 2

**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania  
**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing  
**Project Name/Number:** 2020 Trigon Group Rate Increase/

**Applies To:**

- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: 1) Please revise the Issue Dates to cover only those policies included in this filing.

2) Please reattach the Rate Request Summary including the page 2 summary narrative which explains the reason for the rate increase in clear, consumer-friendly language.

**Changed Items:**

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Long Term Care Insurance Rate Request Summary
<b>Comments:</b>	
<b>Attachment(s):</b>	ltcratereq_sum v2.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	Long Term Care Insurance Rate Request Summary
<b>Comments:</b>	
<b>Attachment(s):</b>	ltcratereq_sum.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Response 3****Comments:**

Please see Objection Response letter and files under Supporting Documents which address all objections and comments.

**Related Objection 3****Applies To:**

- Certification of Compliance/Readability (Supporting Document)

Comments: Please attach the Certificate of Compliance pursuant to 14VAC5-101-110.

**Changed Items:**

SERFF Tracking #:

USPA-132508445

State Tracking #:

USPA-132508445

Company Tracking #:

TRIGON 2020 GROUP RATE INCREASE

State:

Virginia

Filing Company:

United Security Assurance Company of Pennsylvania

TOI/Sub-TOI:

LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified

Product Name:

Trigon VA 2020 Group LTC Business Rate Increase Filing

Project Name/Number:

2020 Trigon Group Rate Increase/

**Supporting Document Schedule Item Changes**

<b>Satisfied - Item:</b>	Certification of Compliance/Readability
<b>Comments:</b>	
<b>Attachment(s):</b>	Cert of Compliance._10-05-20.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Certification of Compliance/Readability</i>
<b>Comments:</b>	<i>See Form Schedule Tab.</i>
<b>Attachment(s):</b>	

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Response 4**

**Comments:**

Please see Objection Response letter and files under Supporting Documents which address all objections and comments.

**Related Objection 4**

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

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<b>State:</b>	Virginia	<b>Filing Company:</b>	United Security Assurance Company of Pennsylvania
<b>TOI/Sub-TOI:</b>	LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified		
<b>Product Name:</b>	Trigon VA 2020 Group LTC Business Rate Increase Filing		
<b>Project Name/Number:</b>	2020 Trigon Group Rate Increase/		

Comments: 1) Please advise if the actuarial assumptions associated with the rate increase request are consistent with the assumptions embedded in the most recent asset adequacy testing. If not, either make the appropriate revisions or explain any discrepancies.

- 2) Please provide sufficient detail or documentation so that any projections can be recreated. Please provide a copy of all projections in Excel with working formulas.
- 3) Please confirm that these forms were only sold in Virginia.
- 4) Please provide an actual-to-expected analysis on the original assumptions and those included in the current filing.
- 5) Please provide a loss ratio projection (both past and future) which reflects all the original pricing assumptions for interest, mortality, morbidity, persistency and premium scale, but uses the actual distribution of policies as issued rather than the originally assumed mix of business.
- 6) Please confirm the originally filed anticipated lifetime loss ratio. Section 15 indicates the lifetime loss ratio in the original filing was slightly over 60%. The attachment GLTC-2N91 Act Memo.PDF submitted 12/2/2016 in SERFF filing USPA-130626515 indicates 72.7%.
- 7) The filing indicates the Overall % Indicated Change is 1027%. Please explain why the Company has not previously filed for an increase.
- 8) Section 15 indicates experience prior to 2010 has been set equal to 2010. Is actual experience prior to 2010 unavailable?
- 9) What steps have been taken to minimize rate increases on this block of business
- 10) Please include a description of the basis for the reserves and justification for the reserve levels provided.
- 11) Please provide all projections required to calculate the increase allowed under the Prospective Present Value Approach (Texas Method) and the Blended If-Knew/Make-up Approach (Minnesota Method).

**Changed Items:**

No Supporting Documents changed.

**SERFF Tracking #:**

USPA-132508445

**State Tracking #:**

USPA-132508445

**Company Tracking #:**

TRIGON 2020 GROUP RATE INCREASE

---

**State:**

Virginia

**Filing Company:**

United Security Assurance Company of Pennsylvania

**TOI/Sub-TOI:**

LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified

**Product Name:**

Trigon VA 2020 Group LTC Business Rate Increase Filing

**Project Name/Number:**

2020 Trigon Group Rate Increase/

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

**Conclusion:**

Sincerely,

Gary Hulet

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**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania  
**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing  
**Project Name/Number:** 2020 Trigon Group Rate Increase/

## Reviewer Note

**Created By:**

Colleen Moore on 07/07/2021 03:05 PM

**Last Edited By:**

Colleen Moore

**Submitted On:**

07/07/2021 03:25 PM

**Subject:**

Actuarial Opinion Letter

**Comments:**

Final actuarial opinion letter.

JOHN T. CONDO, FSA, MAAA, PHD  
ROBERT B. CROMPTON, FSA, MAAA  
DAVID E. NEVE, FSA, MAAA, CERA  
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April 22, 2021

Life and Health Division  
Bureau of Insurance  
State Corporation Commission  
P. O. Box 1157  
Richmond, VA 23218

Subject: **SERFF Tracking #USPA-132508445**

At the request of the Virginia SCC Bureau of Insurance (the “Bureau”), I have reviewed the filing for the above captioned submission from **United Security Assurance Company of Pennsylvania** (the “Company”). This is a filing of revised premium rates for a block of group Long Term Care Insurance plans.

### **Regulatory Recommendation**

My review of this filing was performed according to the provisions of 14VAC5-200-150. Applicable Actuarial Standards of Practice were considered, including Actuarial Standard of Practice No. 18, “Long-Term Care Insurance” and Actuarial Standard of Practice No. 8, “Regulatory Filings for Rates and Financial Projections for Health Plans”. After review of the Company’s submission, I recommend that the Bureau deny the requested increase. See the section labeled “Caveats” below.

### **Other Extra-Regulatory Considerations**

In addition to the regulatory analysis referenced above, I have reviewed a series of extra-regulatory tests that the Bureau considers for LTC rate filings. Note: I am reporting the numbers here, but I have reservations about the validity of these projections as noted below. The maximum rate increase allowed under each of those tests is shown in the chart below:

Compliant Increase under 14VAC5-200-150	0%
<b>Additional Test</b>	<b>Max Allowed</b>
PV Future Loss	unavailable
Prospective PV	96.6%
If-Knew/Makeup	92.9%
State Equity	n/a
Asset Adequacy assumptions from inception	30.7%



## Background

This block of business was originally issued by Trigon and sold only in Virginia. The block was assumed by the Company in 2009. They have submitted a rate increase request for a series of 3 increases of 26.16% (cumulative 100.8%) which the Company states is actuarially equivalent to a one-time increase of 82.2%. The insureds covered by this filing were issued in Virginia from 1992 through 1995 and, as of 12/31/2019, there were 156 certificateholders in force with \$66k of annualized premium. No previous increases have been approved in Virginia.

## Methodology

My approach was to a) review the filing materials, b) check the filing contents and assumptions for compliance with all relevant regulations, c) verify the calculations in the supplied exhibits, and d) review the assumptions and projections for reasonableness.

## Assumptions

The assumptions are consistent with cash flow testing assumptions.

The average valuation interest rate is used for discounting all projections as required by 14VAC5-200-150. Given that the original pricing loss ratio stated in the memorandum is 72.7% and the interest rates in the memorandum are shown as grading from 8.0% to 6.5%, it is likely that the original loss ratio discounted at 5.49% would be much higher than 72.7%.

### *Mortality*

The assumption is 100% of the 1994 GAM Table.

### *Voluntary Lapse*

The ultimate lapse rate assumption is 2.0% in all future years. This is somewhat higher than with assumptions we have seen for others in the industry for individual forms; however, the lapse rate on group forms is often higher than individual forms. A higher lapse rate typically produces a lower loss ratio.

### *Morbidity*

The expected claim costs are equal to the original claim costs provided by the ceding company at the time of purchase. A true-up factor is used to adjust this assumption.

The block was sold only in Virginia and has experienced 11 claims to date. Based on the formula recommended by the American Academy of Actuaries (“AAA”) in a Long-term Care Credibility Monograph issued in August 2016 sets 3,246 claims as the standard for full credibility. Therefore, the credibility for the Company experience is 6%. I do not believe that the use solely of the Company’s own experience for morbidity is a reasonable approach.



## Analysis

### *Observations about Company Methodology*

Since this block was acquired in 2009, the historical data is not available. The Company assumed zero claims prior to 2010 and assumed earned premium equal to the 2010 level. Since all policies in the projection were issued in 1995 or prior, this assumption likely understates both the past incurred claims and earned premium.

### *Caveats*

Several factors in this filing leave me at a place where I am unable to provide an unqualified recommendation for this filing. These factors include:

- The Company has very little data on the original assumptions for this block. This means that the original lifetime loss ratio, which is required in the 60/80 Test of 14VAC5-200-150, cannot be calculated, and is likely higher than 72.7% reported.
- The lack of data also eliminates other calculations which I typically use to analyze a rate increase request, such as the PV of Future Loss test.
- The Company is using an extremely simple method, based on data with almost no credibility (11 total claims), to true-up its morbidity assumption. I do not believe this is a reasonable method. The asset adequacy testing uses Milliman LTCGs for morbidity, which would seem to be more appropriate and address this concern.

While it is likely that some increase could be justified for this form, I am unable to calculate the amount that could be approved.

### *Loss Ratio Testing*

Please keep the above factors in mind when evaluating the results of the loss ratio projections shown below.

Segment	Original LR	No Increase		With Increase		From Inception
		Future*	Lifetime	Future*	Lifetime	
All	73%^	-135%	151%	-75%	136%	75%

\* after deducting ALR

^ as reported in original actuarial memorandum, but not consistent with methodology required by 14VAC5-200-150

The Active Life Reserve (ALR) balance was \$6,073,172 as of 12/31/2019, which exceeds the PV of future claims, resulting in negative future loss ratios. According to the Bureau’s interpretation of 14VAC5-200-150.B.11., no increase can be approved.

We also asked for a projection utilizing the asset adequacy assumptions, which produced a lifetime loss ratio of 98% before a rate increase. Under these assumptions, a rate increase of 30.7% from inception would produce a lifetime loss ratio of 75%.



This pre-stability business is subject to the 60/80 Test.

Segment	Test	Required Claims	Projected Claims	PASS/ FAIL	Allowed
All	73/80	3.3M	6.1M	PASS	full

*Present Value of Future Loss Test*

Segment	Original	Current	Proposed	Allowed
All	xx	-4.8M	-4.4M	xx%

I am unable to perform this test due to lack of data.

*Prospective PV (Texas Method)*

Based on the assumptions used by the Company, the allowable increase using this method is 97%. Details are shown in the spreadsheet submitted by the Company.

*If-Knew/Makeup Blend (Minnesota Method)*

Based on the assumptions used by the Company, the allowable increase using this method is 93%. Details are shown in the spreadsheet submitted by the Company.

*State Rate Equity*

These forms were issued by Trigon only in Virginia.

**Reliance and Qualifications**

I am providing this letter to the Bureau as the sole intended user. The scope of the review relates only to compliance with applicable laws and regulations relating to the actuarial aspects of the filing under consideration, and the intended purpose is to communicate my findings regarding this filing. Distribution of this letter to parties other than the Bureau by me or any other party does not constitute advice by me to those parties. The reliance of parties other than the Bureau on any aspect of this work is not authorized by me and is done at their own risk.

In arriving at my opinion, I used and relied on information provided by the Company and the Bureau without independent investigation or verification. If this information is inaccurate, incomplete, or out of date, my findings and conclusions may need to be revised. While I have relied on the data provided without independent investigation or verification, I have reviewed the data for consistency and reasonableness. In the event that I found the data inconsistent or unreasonable, I have requested clarification.

I am a member of the American Academy of Actuaries and meet that body's Qualification Standards to render this opinion. I am responsible for this work and have utilized generally accepted actuarial methodologies in arriving at my opinion.



If you have any questions regarding this filing, please contact me for discussion.

Sincerely,

Shawn D. Parks, FSA, MAAA

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**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania  
**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing  
**Project Name/Number:** 2020 Trigon Group Rate Increase/

## Reviewer Note

**Created By:**

Colleen Moore on 01/07/2021 02:59 PM

**Last Edited By:**

Colleen Moore

**Submitted On:**

07/07/2021 03:25 PM

**Subject:**

RRS

**Comments:**

Rate Review Summary

**Long Term Care Insurance Rate Request Summary  
Part 1 – To Be Completed By Company**

**Company Name and NAIC Number:** United Security Assurance Company of Pennsylvania – NAIC # 42129

**SERFF Tracking Number:** USPA-132508445

**Revised Rates**

**Average Annual Premium Per Member:** \$430

**Average Requested Percentage Rate Change Per Member:** 35.0%

**Range of Requested Rate Changes:** 35.0%

**Number of Virginia Policyholders Affected:** 150

Form Number	Product Name	Issue Dates	Prior Rate Increases – Date and Percentage Approved	Outlook for Future Rate Increases
GLTC-1N91	Employer Group Long Term Care Insurance	1992-1995	None	The Company will continue to monitor experience but no further rate action will be taken unless actual experience deteriorates substantially from that expected with this rate increase.

**Attach a narrative to summarize the key information used to develop the rates including the main drivers for the revised rates.**

These policy forms were issued by Trigon Insurance Company from 1992 to 1995. They were assumed by United Security Assurance Company (the Company) in 2009. During recent years, claims have been higher than expected. This adverse morbidity experience is consistent with the Society of Actuaries Long Term Care studies of 2001, 2004, and 2007 which demonstrate significant shifts (up to a multiple of 4) in the incidence rates for persons over age 75 relative to earlier studies (1999 and prior). The original pricing anticipated lifetime loss ratio for this business was 72.7%. The current anticipated lifetime loss ratio without this rate increase is projected to be 150.6%. As a compromise between the needs of the Company and the financial duress created on policyholders by rate increases, the Company is requesting an increase of 35.0% at this time (rather than the 922.5% needed to return to the original anticipated lifetime loss ratio) to mediate losses caused by the current and future adverse claims experience.

## **Part 2 - Long Term Care Insurance Rate Request Summary**

**Completed by the Bureau of Insurance (Bureau) of the Virginia State Corporation Commission**

Company Name and NAIC Number:

United Security Assurance Company of Pennsylvania – NAIC # 42129

SERFF Tracking Number: USPA-132508445

Disposition: Approved

Approval Date: 07/07/2021

Current Average Annual Premium Per Member: \$430

### **Rate Changes:**

Average Percentage Rate Change Per Member: 35.0%

Minimum Requested Percentage Rate Change Per Member: 35.0%

Maximum Requested Percentage Rate Change Per Member: 35.0%

Number of Virginia Policy Holders Affected: 150

### **Summary of the Bureau's review of the rate request:**

The Company requested a 100.8% rate increase on this block of individual long-term care insurance policy forms. However, after discussion with the Bureau, the increase was reduced to 35.0%.

The Bureau and its consulting actuary reviewed the documentation and determined that this rate increase complies with the regulatory and actuarial requirements for a rate increase as set forth in 14VAC5-200-150 of the Virginia Administrative Code. The review indicated that the lifetime anticipated loss ratio after the increase will be 145.3%, which exceeds the minimum required loss ratio of 60%.

The Company has advised that they do not intend to request future rate increases on this block unless the actual experience is significantly worse than projected.

The primary reasons for the rate increase are that policyholders are living longer and keeping their policies in force longer, which has resulted in more claims being filed than the Company anticipated when the policy was originally priced. The Company determined that a premium increase is necessary to reflect that future claims are expected to be significantly higher on these policies than originally expected or priced and to ensure that sufficient funds are available to pay claims.

The Company is offering all policyholders options to reduce the premium increase by reducing their coverage. These reductions could be in the form of lower daily benefits, a shorter benefit period, a longer elimination period, the termination of riders or any combination of these reductions, or a paid-up policy. Specific options are included in the letter sent to all policyholders notifying them of the rate increase and can be discussed with the Company by calling its customer service department.

The filing can be reviewed on the Bureau's webpage under the Rate/Policy Form Search at: <https://scc.virginia.gov/boi/SERFFInquiry/LtcFilings.aspx>

**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania  
**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing  
**Project Name/Number:** 2020 Trigon Group Rate Increase/

**Post Submission Update Request Processed On 06/21/2021**

Status: Allowed  
 Created By: Gary Hulet  
 Processed By: Colleen Moore  
 Comments:

**General Information:**

Field Name	Requested Change	Prior Value
Overall Rate Impact	35	100.801

**Company Rate Information:**

Company Name:United Security Assurance Company of Pennsylvania

Field Name	Requested Change	Prior Value
Overall % Rate Impact	35.000%	100.801%
Written Premium Change for this Program	\$22574	\$66340
Number of Policy Holders Affected for this Program	150	156
Written Premium for this Program	\$64497	\$65813
Maximum %Change (where required)	35.000%	100.801%
Minimum %Change (where required)	35.000%	100.801%

**Filing Description:**

**Requested Value:**

These policy forms were issued in Virginia by Trigon Blue Cross Blue Shield from 1992 through 2004. The business was assumed by United Security Assurance Company of PA ("United Security") on September 30, 2009. These policies are no longer being marketed in any jurisdiction.

While the rate increases justified under the Virginia statutes amount to a one time increase in excess of 922.5%, the Company is proposing an increase of 35.0% be implemented.

**Prior Value:**

These policy forms were issued in Virginia by Trigon Blue Cross Blue Shield from 1992 through 2004. The business was assumed by United Security Assurance Company of PA ("United Security") on September 30, 2009. These policies are no longer being marketed in any jurisdiction.

While the rate increases justified under the Virginia statutes amount to a one time increase in excess of 922.5%, the Company is proposing that three rate increases of 26.16% each for the next three years be implemented (this is the equivalent of a one-time rate increase of 82.236%) approximately mid-year, each year.

SERFF Tracking #:

USPA-132508445

State Tracking #:

USPA-132508445

Company Tracking #:

TRIGON 2020 GROUP RATE INCREASE

**State:** Virginia  
**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing  
**Project Name/Number:** 2020 Trigon Group Rate Increase/

**Filing Company:** United Security Assurance Company of Pennsylvania

### Rate Information

Rate data applies to filing.

**Filing Method:** SERFF  
**Rate Change Type:** Increase  
**Overall Percentage of Last Rate Revision:** %  
**Effective Date of Last Rate Revision:**  
**Filing Method of Last Filing:**  
**SERFF Tracking Number of Last Filing:**

### Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
United Security Assurance Company of Pennsylvania	922.500%	35.000%	\$22,574	150	\$64,497	35.000%	35.000%

SERFF Tracking #:

USPA-132508445

State Tracking #:

USPA-132508445

Company Tracking #:

TRIGON 2020 GROUP RATE INCREASE

**State:** Virginia  
**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing  
**Project Name/Number:** 2020 Trigon Group Rate Increase/

**Filing Company:** United Security Assurance Company of Pennsylvania

### Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Current & Proposed Rates	GLTC-1N91	Revised	Previous State Filing Number: Percent Rate Change Request: 35	Exh 4A.pdf, Exh 4B.pdf,

Exhibit 4A  
 BLUE CROSS BLUE SHIELD OF VIRGINIA  
 EMPLOYER GROUP LONG TERM CARE INSURANCE  
 POLICY FORM #GLTC-1N91  
 \$60,000 MAXIMUM BENEFIT PLAN  
 30 DAY ELIMINATION PERIOD  
 ANNUAL PREMIUM RATES PER  
 \$10 OF DAILY NURSING HOME BENEFIT

<u>ISSUE</u> <u>AGE</u>	<u>BASIC</u> <u>PLAN</u>	<u>5% IPO</u> <u>SIMPLE</u>	<u>5% IPO</u> <u>COMPOUND</u>
18-40	17.92	25.34	29.27
41	18.67	26.56	30.78
42	19.70	28.25	32.86
43	20.94	30.28	35.37
44	22.29	32.53	38.17
45	23.66	34.90	41.12
46	24.97	37.27	44.11
47	26.27	39.72	47.23
48	27.70	42.41	50.65
49	29.39	45.52	54.55
50	31.46	49.20	59.12
51	33.83	53.35	64.23
52	36.40	57.85	69.76
53	39.32	62.87	75.89
54	42.73	68.60	82.80
55	46.75	75.20	90.67
56	51.65	83.29	100.32
57	57.32	92.77	111.65
58	63.40	102.69	123.40
59	69.50	112.13	134.31
60	75.26	120.16	143.13
61	79.91	125.38	148.13
62	83.69	128.41	150.15
63	87.76	131.34	151.78
64	93.26	136.30	155.63
65	101.32	145.36	164.27
66	111.56	158.42	177.79
67	123.21	174.08	194.45
68	136.86	192.51	214.14
69	153.10	213.89	236.78
70	172.51	238.39	262.25
71	194.69	265.67	290.23
72	219.24	295.60	320.79
73	246.78	328.72	354.42
74	277.93	365.53	391.60
75	313.30	406.55	432.82
76	358.20	457.57	483.79
77	412.21	518.25	544.17
78	467.39	579.90	605.42
79	515.77	633.85	658.98
80	549.41	671.42	696.30

\* These rates are for policies sold to a single person who's not a preferred risk. If sold to a married couple, each person's rate is lowered by 10%. If sold to a preferred/nonsmoker, the rate is 10% lower. If both discounts apply, the rate is 81% of those above.

Exhibit 4A  
 BLUE CROSS BLUE SHIELD OF VIRGINIA  
 EMPLOYER GROUP LONG TERM CARE INSURANCE  
 POLICY FORM #GLTC-1N91  
 \$60,000 MAXIMUM BENEFIT PLAN  
 90 DAY ELIMINATION PERIOD  
 ANNUAL PREMIUM RATES PER  
 \$10 OF DAILY NURSING HOME BENEFIT

<u>ISSUE</u> <u>AGE</u>	<u>BASIC</u> <u>PLAN</u>	<u>5% IPO</u> <u>SIMPLE</u>	<u>5% IPO</u> <u>COMPOUND</u>
18-40	16.55	23.12	26.58
41	17.21	24.20	27.91
42	18.12	25.68	29.74
43	19.21	27.46	31.95
44	20.39	29.45	34.41
45	21.60	31.53	37.01
46	22.75	33.54	39.64
47	23.90	35.55	42.38
48	25.15	37.80	45.38
49	26.64	40.57	48.81
50	28.46	44.09	52.82
51	30.54	48.49	57.31
52	32.81	53.59	62.16
53	35.38	59.23	67.55
54	38.37	65.22	73.61
55	41.91	71.41	80.51
56	46.20	78.11	88.97
57	51.17	85.43	98.88
58	56.49	92.90	109.17
59	61.85	100.03	118.73
60	66.92	106.34	126.48
61	71.06	110.69	130.93
62	74.49	113.41	132.79
63	78.17	116.20	134.32
64	83.07	120.75	137.76
65	90.16	128.78	145.34
66	99.09	140.17	157.12
67	109.21	153.78	171.61
68	121.05	169.79	188.72
69	135.14	188.35	208.38
70	152.00	209.62	230.49
71	171.31	233.35	254.82
72	192.72	259.43	281.43
73	216.71	288.24	310.68
74	243.76	320.18	342.92
75	274.35	355.63	378.52
76	313.02	399.53	422.35
77	359.43	451.62	474.15
78	406.81	504.50	526.65
79	448.33	550.75	572.54
80	477.21	582.97	604.52

\* These rates are for policies sold to a single person who's not a preferred risk. If sold to a married couple, each person's rate is lowered by 10%. If sold to a preferred/nonsmoker, the rate is 10% lower. If both discounts apply, the rate is 81% of those above.

Exhibit 4A  
BLUE CROSS BLUE SHIELD OF VIRGINIA  
EMPLOYER GROUP LONG TERM CARE INSURANCE  
POLICY FORM #GLTC-1N91  
\$130,000 MAXIMUM BENEFIT PLAN  
30 DAY ELIMINATION PERIOD  
ANNUAL PREMIUM RATES PER  
\$10 OF DAILY NURSING HOME BENEFIT

<u>ISSUE</u>	<u>BASIC</u>	<u>5% IPO</u>	<u>5% IPO</u>
<u>AGE</u>	<u>PLAN</u>	<u>SIMPLE</u>	<u>COMPOUND</u>
18-40	23.82	34.59	40.23
41	24.87	36.31	42.35
42	26.32	38.67	45.25
43	28.06	41.51	48.76
44	29.96	44.67	52.67
45	31.89	47.99	56.80
46	33.74	51.31	60.98
47	35.59	54.75	65.33
48	37.62	58.53	70.11
49	40.01	62.89	75.56
50	42.95	68.05	81.93
51	46.32	73.88	89.06
52	50.01	80.21	96.80
53	54.17	87.27	105.36
54	58.99	95.28	114.97
55	64.64	104.45	125.85
56	71.47	115.65	139.16
57	79.38	128.74	154.76
58	87.81	142.41	170.89
59	96.23	155.36	185.83
60	104.10	166.31	197.83
61	110.31	173.26	204.45
62	115.21	177.07	206.86
63	120.48	180.74	208.70
64	127.77	187.23	213.65
65	138.75	199.53	225.34
66	152.95	217.55	243.95
67	169.27	239.31	267.05
68	188.40	264.93	294.38
69	211.02	294.55	325.69
70	237.83	328.28	360.73
71	268.07	365.47	398.87
72	301.30	406.02	440.26
73	338.62	450.94	485.88
74	381.15	501.23	536.67
75	430.02	557.88	593.61
76	492.76	629.14	664.82
77	568.64	714.32	749.66
78	646.33	801.10	835.93
79	714.51	877.10	911.45
80	761.88	929.99	964.03

\* These rates are for policies sold to a single person who's not a preferred risk. If sold to a married couple, each person's rate is lowered by 10%. If sold to a preferred/nonsmoker, the rate is 10% lower. If both discounts apply, the rate is 81% of those above.

Exhibit 4A  
BLUE CROSS BLUE SHIELD OF VIRGINIA  
EMPLOYER GROUP LONG TERM CARE INSURANCE  
POLICY FORM #GLTC-1N91  
\$130,000 MAXIMUM BENEFIT PLAN  
90 DAY ELIMINATION PERIOD  
ANNUAL PREMIUM RATES PER  
\$10 OF DAILY NURSING HOME BENEFIT

<u>ISSUE</u>	<u>BASIC</u>	<u>5% IPO</u>	<u>5% IPO</u>
<u>AGE</u>	<u>PLAN</u>	<u>SIMPLE</u>	<u>COMPOUND</u>
18-40	22.04	31.71	36.76
41	22.98	33.24	38.65
42	24.27	35.35	41.24
43	25.82	37.88	44.37
44	27.51	40.70	47.85
45	29.24	43.66	51.53
46	30.89	46.62	55.25
47	32.54	49.68	59.13
48	34.35	53.05	63.38
49	36.48	56.92	68.23
50	39.10	61.52	73.89
51	42.11	66.71	80.23
52	45.40	72.35	87.11
53	49.11	78.63	94.73
54	53.41	85.75	103.26
55	58.43	93.90	112.92
56	64.49	103.83	124.72
57	71.50	115.43	138.53
58	78.98	127.54	152.82
59	86.46	139.02	166.06
60	93.46	148.74	176.70
61	99.03	154.95	182.62
62	103.48	158.42	184.83
63	108.25	161.75	186.55
64	114.78	167.55	190.97
65	124.52	178.43	201.30
66	137.06	194.32	217.70
67	151.44	213.48	238.03
68	168.26	236.01	262.05
69	188.12	262.02	289.54
70	211.64	291.60	320.26
71	238.19	324.22	353.69
72	267.38	359.80	390.00
73	300.11	399.17	429.94
74	337.32	443.11	474.30
75	379.92	492.44	523.85
76	434.42	554.25	585.57
77	500.22	628.00	658.96
78	567.53	703.05	733.53
79	626.60	768.77	798.77
80	667.64	814.51	844.21

\* These rates are for policies sold to a single person who's not a preferred risk. If sold to a married couple, each person's rate is lowered by 10%. If sold to a preferred/nonsmoker, the rate is 10% lower. If both discounts apply, the rate is 81% of those above.

Exhibit 4A  
BLUE CROSS BLUE SHIELD OF VIRGINIA  
EMPLOYER GROUP LONG TERM CARE INSURANCE  
POLICY FORM #GLTC-1N91  
\$200,000 MAXIMUM BENEFIT PLAN  
30 DAY ELIMINATION PERIOD  
ANNUAL PREMIUM RATES PER  
\$10 OF DAILY NURSING HOME BENEFIT

<u>ISSUE</u> <u>AGE</u>	<u>BASIC</u> <u>PLAN</u>	<u>5% IPO</u> <u>SIMPLE</u>	<u>5% IPO</u> <u>COMPOUND</u>
18-40	27.32	39.90	46.41
41	28.53	41.86	48.81
42	30.21	44.55	52.12
43	32.21	47.80	56.10
44	34.39	51.39	60.52
45	36.60	55.15	65.17
46	38.70	58.89	69.85
47	40.78	62.75	74.72
48	43.06	66.98	80.05
49	45.75	71.85	86.13
50	49.06	77.63	93.23
51	52.87	84.16	101.19
52	57.04	91.25	109.84
53	61.74	99.16	119.40
54	67.17	108.10	130.10
55	73.50	118.32	142.20
56	81.15	130.79	156.98
57	90.00	145.34	174.30
58	99.42	160.53	192.19
59	108.79	174.88	208.71
60	117.48	186.94	221.91
61	124.21	194.44	229.03
62	129.41	198.37	231.38
63	134.98	202.11	233.07
64	142.84	209.02	238.25
65	154.90	222.50	251.03
66	170.71	242.50	271.65
67	188.99	266.76	297.35
68	210.43	295.35	327.79
69	235.71	328.33	362.62
70	265.52	365.77	401.48
71	298.94	406.82	443.57
72	335.51	451.45	489.11
73	376.61	500.91	539.33
74	423.61	556.46	595.43
75	477.91	619.34	658.63
76	547.98	698.82	738.07
77	632.92	794.07	832.95
78	719.98	891.18	929.54
79	796.42	976.28	1,014.13
80	849.50	1,035.48	1,073.00

\* These rates are for policies sold to a single person who's not a preferred risk. If sold to a married couple, each person's rate is lowered by 10%. If sold to a preferred/nonsmoker, the rate is 10% lower. If both discounts apply, the rate is 81% of those above.

Exhibit 4A  
BLUE CROSS BLUE SHIELD OF VIRGINIA  
EMPLOYER GROUP LONG TERM CARE INSURANCE  
POLICY FORM #GLTC-1N91  
\$200,000 MAXIMUM BENEFIT PLAN  
90 DAY ELIMINATION PERIOD  
ANNUAL PREMIUM RATES PER  
\$10 OF DAILY NURSING HOME BENEFIT

<u>ISSUE</u> <u>AGE</u>	<u>BASIC</u> <u>PLAN</u>	<u>5% IPO</u> <u>SIMPLE</u>	<u>5% IPO</u> <u>COMPOUND</u>
18-40	25.28	36.62	42.47
41	26.37	38.37	44.62
42	27.87	40.79	47.58
43	29.67	43.69	51.14
44	31.62	46.91	55.10
45	33.60	50.27	59.26
46	35.48	53.61	63.44
47	37.34	57.06	67.79
48	39.38	60.84	72.55
49	41.78	65.19	77.98
50	44.74	70.35	84.31
51	48.15	76.18	91.41
52	51.87	82.52	99.13
53	56.08	89.58	107.65
54	60.93	97.56	117.19
55	66.58	106.66	127.96
56	73.40	117.75	141.11
57	81.27	130.69	156.49
58	89.66	144.20	172.39
59	98.00	156.96	187.07
60	105.76	167.69	198.81
61	111.81	174.41	205.18
62	116.52	177.98	207.34
63	121.57	181.37	208.91
64	128.62	187.56	213.54
65	139.34	199.50	224.85
66	153.34	217.18	243.07
67	169.51	238.62	265.77
68	188.43	263.85	292.63
69	210.71	292.90	323.30
70	236.93	325.82	357.45
71	266.35	361.92	394.44
72	298.56	401.19	434.48
73	334.70	444.63	478.55
74	375.89	493.25	527.62
75	423.28	548.06	582.67
76	484.18	617.04	651.56
77	557.85	699.50	733.64
78	633.28	783.50	817.12
79	699.50	857.07	890.20
80	745.49	908.27	941.07

\* These rates are for policies sold to a single person who's not a preferred risk. If sold to a married couple, each person's rate is lowered by 10%. If sold to a preferred/nonsmoker, the rate is 10% lower. If both discounts apply, the rate is 81% of those above.

Exhibit 4B  
BLUE CROSS BLUE SHIELD OF VIRGINIA

EMPLOYER GROUP LONG TERM CARE INSURANCE  
POLICY FORM #GLTC-1N91  
\$60,000 MAXIMUM BENEFIT PLAN  
30 DAY ELIMINATION PERIOD  
ANNUAL PREMIUM RATES PER  
\$10 OF DAILY NURSING HOME BENEFIT

<u>ISSUE</u> <u>AGE</u>	<u>BASIC</u> <u>PLAN</u>	<u>5% IPO</u> <u>SIMPLE</u>	<u>5% IPO</u> <u>COMPOUND</u>
18-40	24.19	34.21	39.51
41	25.20	35.86	41.55
42	26.60	38.14	44.36
43	28.27	40.88	47.75
44	30.09	43.92	51.53
45	31.94	47.12	55.51
46	33.71	50.31	59.55
47	35.46	53.62	63.76
48	37.40	57.25	68.38
49	39.68	61.45	73.64
50	42.47	66.42	79.81
51	45.67	72.02	86.71
52	49.14	78.10	94.18
53	53.08	84.87	102.45
54	57.69	92.61	111.78
55	63.11	101.52	122.40
56	69.73	112.44	135.43
57	77.38	125.24	150.73
58	85.59	138.63	166.59
59	93.83	151.38	181.32
60	101.60	162.22	193.23
61	107.88	169.26	199.98
62	112.98	173.35	202.70
63	118.48	177.31	204.90
64	125.90	184.01	210.10
65	136.78	196.24	221.76
66	150.61	213.87	240.02
67	166.33	235.01	262.51
68	184.76	259.89	289.09
69	206.69	288.75	319.65
70	232.89	321.83	354.04
71	262.83	358.65	391.81
72	295.97	399.06	433.07
73	333.15	443.77	478.47
74	375.21	493.47	528.66
75	422.96	548.84	584.31
76	483.57	617.72	653.12
77	556.48	699.64	734.63
78	630.98	782.87	817.32
79	696.29	855.70	889.62
80	741.70	906.42	940.01

\* These rates are for policies sold to a single person who's not a preferred risk. If sold to a married couple, each person's rate is lowered by 10%. If sold to a preferred/nonsmoker, the rate is 10% lower. If both discounts apply, the rate is 81% of those above.

Exhibit 4B  
BLUE CROSS BLUE SHIELD OF VIRGINIA

EMPLOYER GROUP LONG TERM CARE INSURANCE  
POLICY FORM #GLTC-1N91  
\$60,000 MAXIMUM BENEFIT PLAN  
90 DAY ELIMINATION PERIOD  
ANNUAL PREMIUM RATES PER  
\$10 OF DAILY NURSING HOME BENEFIT

<u>ISSUE</u> <u>AGE</u>	<u>BASIC</u> <u>PLAN</u>	<u>5% IPO</u> <u>SIMPLE</u>	<u>5% IPO</u> <u>COMPOUND</u>
18-40	22.34	31.21	35.88
41	23.23	32.67	37.68
42	24.46	34.67	40.15
43	25.93	37.07	43.13
44	27.53	39.76	46.45
45	29.16	42.57	49.96
46	30.71	45.28	53.51
47	32.27	47.99	57.21
48	33.95	51.03	61.26
49	35.96	54.77	65.89
50	38.42	59.52	71.31
51	41.23	65.46	77.37
52	44.29	72.35	83.92
53	47.76	79.96	91.19
54	51.80	88.05	99.37
55	56.58	96.40	108.69
56	62.37	105.45	120.11
57	69.08	115.33	133.49
58	76.26	125.42	147.38
59	83.50	135.04	160.29
60	90.34	143.56	170.75
61	95.93	149.43	176.76
62	100.56	153.10	179.27
63	105.53	156.87	181.33
64	112.14	163.01	185.98
65	121.72	173.85	196.21
66	133.77	189.23	212.11
67	147.43	207.60	231.67
68	163.42	229.22	254.77
69	182.44	254.27	281.31
70	205.20	282.99	311.16
71	231.27	315.02	344.01
72	260.17	350.23	379.93
73	292.56	389.12	419.42
74	329.08	432.24	462.94
75	370.37	480.10	511.00
76	422.58	539.37	570.17
77	485.23	609.69	640.10
78	549.19	681.08	710.98
79	605.25	743.51	772.93
80	644.23	787.01	816.10

\* These rates are for policies sold to a single person who's not a preferred risk. If sold to a married couple, each person's rate is lowered by 10%. If sold to a preferred/nonsmoker, the rate is 10% lower. If both discounts apply, the rate is 81% of those above.

Exhibit 4B  
BLUE CROSS BLUE SHIELD OF VIRGINIA  
EMPLOYER GROUP LONG TERM CARE INSURANCE  
POLICY FORM #GLTC-1N91  
\$130,000 MAXIMUM BENEFIT PLAN  
30 DAY ELIMINATION PERIOD  
ANNUAL PREMIUM RATES PER  
\$10 OF DAILY NURSING HOME BENEFIT

<u>ISSUE</u> <u>AGE</u>	<u>BASIC</u> <u>PLAN</u>	<u>5% IPO</u> <u>SIMPLE</u>	<u>5% IPO</u> <u>COMPOUND</u>
18-40	32.16	46.70	54.31
41	33.57	49.02	57.17
42	35.53	52.20	61.09
43	37.88	56.04	65.83
44	40.45	60.30	71.10
45	43.05	64.79	76.68
46	45.55	69.27	82.32
47	48.05	73.91	88.20
48	50.79	79.02	94.65
49	54.01	84.90	102.01
50	57.98	91.87	110.61
51	62.53	99.74	120.23
52	67.51	108.28	130.68
53	73.13	117.81	142.24
54	79.64	128.63	155.21
55	87.26	141.01	169.90
56	96.48	156.13	187.87
57	107.16	173.80	208.93
58	118.54	192.25	230.70
59	129.91	209.74	250.87
60	140.54	224.52	267.07
61	148.92	233.90	276.01
62	155.53	239.04	279.26
63	162.65	244.00	281.75
64	172.49	252.76	288.43
65	187.31	269.37	304.21
66	206.48	293.69	329.33
67	228.51	323.07	360.52
68	254.34	357.66	397.41
69	284.88	397.64	439.68
70	321.07	443.18	486.99
71	361.89	493.38	538.47
72	406.76	548.13	594.35
73	457.14	608.77	655.94
74	514.55	676.66	724.50
75	580.53	753.14	801.37
76	665.23	849.34	897.51
77	767.66	964.33	1,012.04
78	872.55	1,081.49	1,128.51
79	964.59	1,184.09	1,230.46
80	1,028.54	1,255.49	1,301.44

\* These rates are for policies sold to a single person who's not a preferred risk. If sold to a married couple, each person's rate is lowered by 10%. If sold to a preferred/nonsmoker, the rate is 10% lower. If both discounts apply, the rate is 81% of those above.

Exhibit 4B  
BLUE CROSS BLUE SHIELD OF VIRGINIA  
EMPLOYER GROUP LONG TERM CARE INSURANCE  
POLICY FORM #GLTC-1N91  
\$130,000 MAXIMUM BENEFIT PLAN  
90 DAY ELIMINATION PERIOD  
ANNUAL PREMIUM RATES PER  
\$10 OF DAILY NURSING HOME BENEFIT

<u>ISSUE</u> <u>AGE</u>	<u>BASIC</u> <u>PLAN</u>	<u>5% IPO</u> <u>SIMPLE</u>	<u>5% IPO</u> <u>COMPOUND</u>
18-40	29.75	42.81	49.63
41	31.02	44.87	52.18
42	32.76	47.72	55.67
43	34.86	51.14	59.90
44	37.14	54.95	64.60
45	39.47	58.94	69.57
46	41.70	62.94	74.59
47	43.93	67.07	79.83
48	46.37	71.62	85.56
49	49.25	76.84	92.11
50	52.79	83.05	99.75
51	56.85	90.06	108.31
52	61.29	97.67	117.60
53	66.30	106.15	127.89
54	72.10	115.76	139.40
55	78.88	126.77	152.44
56	87.06	140.17	168.37
57	96.53	155.83	187.02
58	106.62	172.18	206.31
59	116.72	187.68	224.18
60	126.17	200.80	238.55
61	133.69	209.18	246.54
62	139.70	213.87	249.52
63	146.14	218.36	251.84
64	154.95	226.19	257.81
65	168.10	240.88	271.76
66	185.03	262.33	293.90
67	204.44	288.20	321.34
68	227.15	318.61	353.77
69	253.96	353.73	390.88
70	285.71	393.66	432.35
71	321.56	437.70	477.48
72	360.96	485.73	526.50
73	405.15	538.88	580.42
74	455.38	598.20	640.31
75	512.89	664.79	707.20
76	586.47	748.24	790.52
77	675.30	847.80	889.60
78	766.17	949.12	990.27
79	845.91	1,037.84	1,078.34
80	901.31	1,099.59	1,139.68

\* These rates are for policies sold to a single person who's not a preferred risk. If sold to a married couple, each person's rate is lowered by 10%. If sold to a preferred/nonsmoker, the rate is 10% lower. If both discounts apply, the rate is 81% of those above.

Exhibit 4B  
BLUE CROSS BLUE SHIELD OF VIRGINIA  
EMPLOYER GROUP LONG TERM CARE INSURANCE  
POLICY FORM #GLTC-1N91  
\$200,000 MAXIMUM BENEFIT PLAN  
30 DAY ELIMINATION PERIOD  
ANNUAL PREMIUM RATES PER  
\$10 OF DAILY NURSING HOME BENEFIT

<u>ISSUE</u> <u>AGE</u>	<u>BASIC</u> <u>PLAN</u>	<u>5% IPO</u> <u>SIMPLE</u>	<u>5% IPO</u> <u>COMPOUND</u>
18-40	36.88	53.87	62.65
41	38.52	56.51	65.89
42	40.78	60.14	70.36
43	43.48	64.53	75.74
44	46.43	69.38	81.70
45	49.41	74.45	87.98
46	52.25	79.50	94.30
47	55.05	84.71	100.87
48	58.13	90.42	108.07
49	61.76	97.00	116.28
50	66.23	104.80	125.86
51	71.37	113.62	136.61
52	77.00	123.19	148.28
53	83.35	133.87	161.19
54	90.68	145.94	175.64
55	99.23	159.73	191.97
56	109.55	176.57	211.92
57	121.50	196.21	235.31
58	134.22	216.72	259.46
59	146.87	236.09	281.76
60	158.60	252.37	299.58
61	167.68	262.49	309.19
62	174.70	267.80	312.36
63	182.22	272.85	314.64
64	192.83	282.18	321.64
65	209.12	300.38	338.89
66	230.46	327.38	366.73
67	255.14	360.13	401.42
68	284.08	398.72	442.52
69	318.21	443.25	489.54
70	358.45	493.79	542.00
71	403.57	549.21	598.82
72	452.94	609.46	660.30
73	508.42	676.23	728.10
74	571.87	751.22	803.83
75	645.18	836.11	889.15
76	739.77	943.41	996.39
77	854.44	1,071.99	1,124.48
78	971.97	1,203.09	1,254.88
79	1,075.17	1,317.98	1,369.08
80	1,146.83	1,397.90	1,448.55

\* These rates are for policies sold to a single person who's not a preferred risk. If sold to a married couple, each person's rate is lowered by 10%. If sold to a preferred/nonsmoker, the rate is 10% lower. If both discounts apply, the rate is 81% of those above.

Exhibit 4B  
BLUE CROSS BLUE SHIELD OF VIRGINIA  
EMPLOYER GROUP LONG TERM CARE INSURANCE  
POLICY FORM #GLTC-1N91  
\$200,000 MAXIMUM BENEFIT PLAN  
90 DAY ELIMINATION PERIOD  
ANNUAL PREMIUM RATES PER  
\$10 OF DAILY NURSING HOME BENEFIT

<u>ISSUE</u> <u>AGE</u>	<u>BASIC</u> <u>PLAN</u>	<u>5% IPO</u> <u>SIMPLE</u>	<u>5% IPO</u> <u>COMPOUND</u>
18-40	34.13	49.44	57.33
41	35.60	51.80	60.24
42	37.62	55.07	64.23
43	40.05	58.98	69.04
44	42.69	63.33	74.39
45	45.36	67.86	80.00
46	47.90	72.37	85.64
47	50.41	77.03	91.52
48	53.16	82.13	97.94
49	56.40	88.01	105.27
50	60.40	94.97	113.82
51	65.00	102.84	123.40
52	70.02	111.40	133.83
53	75.71	120.93	145.33
54	82.26	131.71	158.21
55	89.88	143.99	172.75
56	99.09	158.96	190.50
57	109.71	176.43	211.26
58	121.04	194.67	232.73
59	132.30	211.90	252.54
60	142.78	226.38	268.39
61	150.94	235.45	276.99
62	157.30	240.27	279.91
63	164.12	244.85	282.03
64	173.64	253.21	288.28
65	188.11	269.33	303.55
66	207.01	293.19	328.14
67	228.84	322.14	358.79
68	254.38	356.20	395.05
69	284.46	395.42	436.46
70	319.86	439.86	482.56
71	359.57	488.59	532.49
72	403.06	541.61	586.55
73	451.85	600.25	646.04
74	507.45	665.89	712.29
75	571.43	739.88	786.60
76	653.64	833.00	879.61
77	753.10	944.33	990.41
78	854.93	1,057.73	1,103.11
79	944.33	1,157.04	1,201.77
80	1,006.41	1,226.16	1,270.44

\* These rates are for policies sold to a single person who's not a preferred risk. If sold to a married couple, each person's rate is lowered by 10%. If sold to a preferred/nonsmoker, the rate is 10% lower. If both discounts apply, the rate is 81% of those above.

**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania  
**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing  
**Project Name/Number:** 2020 Trigon Group Rate Increase/

## Supporting Document Schedules

<b>Satisfied - Item:</b>	Certification of Compliance/Readability
<b>Comments:</b>	
<b>Attachment(s):</b>	Cert of Compliance_11-18-20_signed.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	06/30/2021

<b>Satisfied - Item:</b>	Product Checklist
<b>Comments:</b>	Checklist reviewed.
<b>Attachment(s):</b>	
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	06/30/2021

<b>Satisfied - Item:</b>	L&H Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	VA TGN 2020 Rate Increase Actuarial Memo_GLTC 35%.pdf VA TGN GLTC 35% Exhibits.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	07/07/2021

<b>Satisfied - Item:</b>	Long Term Care Insurance Rate Request Summary
<b>Comments:</b>	
<b>Attachment(s):</b>	lcratereq_sum final2.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	07/07/2021

<b>Satisfied - Item:</b>	Submission Letter
<b>Comments:</b>	Submission Letter
<b>Attachment(s):</b>	Trigon Grp RI Submission Ltr Aug 2020.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	06/30/2021

<b>Satisfied - Item:</b>	Response to Objection 09-28-2020
<b>Comments:</b>	

SERFF Tracking #:

USPA-132508445

State Tracking #:

USPA-132508445

Company Tracking #:

TRIGON 2020 GROUP RATE INCREASE

**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania  
**TOI/Sub-TOI:** LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
**Product Name:** Trigon VA 2020 Group LTC Business Rate Increase Filing  
**Project Name/Number:** 2020 Trigon Group Rate Increase/

<b>Attachment(s):</b>	GLTC-2N91 Act Memo.PDF Exhibit 4.xlsx Pricing Projection.xlsx Exhibit 13.xlsx TX Method.xlsx MN Method.xlsx VA Trigon GLTC Objection 09-28-2020_response.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	06/30/2021

<b>Satisfied - Item:</b>	Statement of Variables
<b>Comments:</b>	Statement of Variables for Forms VA-RI and TRI-CL2020
<b>Attachment(s):</b>	Statement of variables Forms VA-RI and TRI-CL2020.pdf Option samples Ver 3 11052020.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	06/30/2021

<b>Satisfied - Item:</b>	Response to 11/16/2020 Objection USPA-132508445
<b>Comments:</b>	
<b>Attachment(s):</b>	VA Trigon GLTC Objection 11-16-2020_response.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	06/30/2021

<b>Satisfied - Item:</b>	Response to 12/09/2020 Objection USPA-132508445
<b>Comments:</b>	
<b>Attachment(s):</b>	VA Trigon GLTC Objection 12-09-2020_response.pdf MN Method updated.xlsx
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	06/30/2021

<b>Satisfied - Item:</b>	Response to 01-08-2021 Objection USPA-132508445
<b>Comments:</b>	
<b>Attachment(s):</b>	VA Trigon GLTC Objection 01-08-2021_response.pdf VA TGN 2020 Rate Increase Actuarial Memo_GLTC Updated.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	06/30/2021

<b>Satisfied - Item:</b>	Response to 01-11-2021 Objection USPA-132508445
<b>Comments:</b>	

State: Virginia Filing Company: United Security Assurance Company of Pennsylvania  
 TOI/Sub-TOI: LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified  
 Product Name: Trigon VA 2020 Group LTC Business Rate Increase Filing  
 Project Name/Number: 2020 Trigon Group Rate Increase/

Attachment(s):	VA Trigon GLTC Objection 01-11-2021_response.pdf
Item Status:	Received & Acknowledged
Status Date:	06/30/2021

Satisfied - Item:	Response to 02-08-2021 Objection USPA-132508445
Comments:	
Attachment(s):	VA Trigon GLTC Objection 02-08-2021_response.pdf
Item Status:	Received & Acknowledged
Status Date:	06/30/2021

Satisfied - Item:	Response to 03-29-2021 Objection USPA-132508445
Comments:	
Attachment(s):	VA Trigon GLTC Objection 03-29-2021_response.pdf Revised Exhibit 3.pdf Revised Exhibit 5.pdf
Item Status:	Received & Acknowledged
Status Date:	06/30/2021

Satisfied - Item:	Policyholder information as requested in Objection 06-11-2021 Item #2
Comments:	As requested, I have attached copies of the approved forms and the accompanying statement of variability under Supporting Documentation and included John Doe versions of the document(s) as they will be used in conjunction with this filing.
Attachment(s):	VA-RI_032421.pdf VA-RI-1 - John Doe.pdf TRI-CL2020 Options Cover Letter_033121.pdf TRI-CL2020 Options Cover Letter_JohnDoe.pdf Statement of variables Forms VA-RI and TRI-CL2020_03-31-21.pdf
Item Status:	Received & Acknowledged
Status Date:	06/30/2021

Satisfied - Item:	Response items for Objections 06-30-2021
Comments:	
Attachment(s):	Original Exhibit 3.pdf Original Exhibit 3 with 35%.pdf VA Trigon GLTC Objection 06-30-2021 response.pdf Policy Change Endorsement USPA-128578761.pdf VA-RI-1 - John Doe_6-30-21.pdf
Item Status:	Received & Acknowledged
Status Date:	07/07/2021

SERFF Tracking #:

USPA-132508445

State Tracking #:

USPA-132508445

Company Tracking #:

TRIGON 2020 GROUP RATE INCREASE

State:

Virginia

Filing Company:

United Security Assurance Company of Pennsylvania

TOI/Sub-TOI:

LTC05G Group Long Term Care - Nursing Home and Home Health Care/LTC05G.002 Non Qualified

Product Name:

Trigon VA 2020 Group LTC Business Rate Increase Filing

Project Name/Number:

2020 Trigon Group Rate Increase/

***Attachment Exhibit 4.xlsx is not a PDF document and cannot be reproduced here.***

***Attachment Pricing Projection.xlsx is not a PDF document and cannot be reproduced here.***

***Attachment Exhibit 13.xlsx is not a PDF document and cannot be reproduced here.***

***Attachment TX Method.xlsx is not a PDF document and cannot be reproduced here.***

***Attachment MN Method.xlsx is not a PDF document and cannot be reproduced here.***

***Attachment MN Method updated.xlsx is not a PDF document and cannot be reproduced here.***

# United Security Assurance Company of Pennsylvania

## Certification of Compliance

The Flesch reading ease score of the filed policy form is N/A.

The Company has reviewed the enclosed Forms and certifies that, to the best of its knowledge and belief, each Form submitted is consistent and complies with the requirements of Title 38.2 of the Code of Virginia and the applicable rules and regulations. I understand that a failure to comply with these requirements will result in a disapproval of the filing.



Digitally signed by Martha Stephens  
DN: cn=Martha Stephens, o=United  
Security Assurance Company of PA,  
ou=Vice President, Operations,  
email=mstephens@usa-cal.com, c=US  
Date: 2020.11.18 16:55:27 -05'00'

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Martha Stephens

Printed Name

\_\_\_\_\_  
Vice President, Operations

Title

UNITED SECURITY ASSURANCE INSURANCE COMPANY OF PA  
Address: 673 Cherry Lane, P. O. Box 64477, Souderton, PA 18964  
Actuarial Memorandum for Long Term Care Policies  
August 28, 2020

<u>Product</u>	<u>Policy Forms</u>	<u>Rider Forms</u>
Long Term Care- Group	GLTC-1N91	

1. Purpose of Filing

This actuarial memorandum has been prepared for the purpose of demonstrating that the requested rate increase of this product meets the minimum requirements and demonstrates compliance with your jurisdiction. This filing may not be suitable for other purposes.

The rate increase being requested will not apply to those policies whose premiums are being waived at the time the rate increase becomes effective but will apply if/when such policies return to a premium-paying status.

All but 1 policy in force was issued prior to Virginia's rate stabilization regulation. This one policy was omitted from this filing and I have assumed no rate action will occur at this time with respect to this policy. All of the remaining policies will be impacted by this filing. In order to obtain a 72.7% lifetime loss ratio, a large rate increase is implied based on actual past experience and expected future experience. Even though a larger increase could be justified in order to obtain a 72.7% lifetime loss ratio, the rate increase included in this filing is much lower than justified because of our concern for the burden of rate increases on policyholders. The analysis of the actual-to-expected data related to the Trigon Block indicated that the emerging data was significantly higher than the expected data. Industry data from the Society of Actuaries (SOA) LTC studies, demonstrated significant shifts in the incidence rates for persons over age 75 since the early studies and in the continuance on claim for all age groups, including the older population. Beyond these factors, mortality rates for the older population have continued to decline. All of these factors represent factors which have affected the majority of insurers of similar products. As a result, they fall within the definition of "exceptional increases" under Virginia regulation 14 VAC5-200-40. The combined factors indicate that the data supports rate increases significantly above what the Company is comfortable implementing at this time.

As a result, while the rate increases justified under the Virginia statutes amount to a one time increase in excess of 922.5%, the Company is proposing that a one-time rate increase of 35.0% be implemented.

In addition to moderating the rate increase request (which still may be a financial burden to the affected policyholders, particularly the most senior of insureds), the Company will continue providing policy modifications as an alternative to the approved rate increase(s) or as a means by which to mitigate their full impact. In these calculations, the reduced purchasing power is

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represented by using a premium equal to the policy's current actual premium reduced by a rate increase offset. The current premium is reduced by the rate increase factor and the revised benefits are determined by 'looking up' the benefit that could have been initially purchased by the insured at the original date of issue and age at issue. In real-time, this would be one possible option for the insured to consider in addition to any other insured-specific alternatives expressed by the insured. The ultimate objective of the Company is to construct a policy benefit for each affected insured that is notably more favorable than the contingent non-forfeiture benefit (a value equal to premiums paid) while staying within the scope of previously approved rates and factors (changes in the Elimination Period, for example).

As part of the Company's normal rate increase notification process, the Company will communicate clearly, at the time of notification, that the insured has the opportunity to discuss policy modifications designed to either moderate or fully offset the rate increase as described above. Modifications can include adjustments to the maximum daily benefit and/or other components of the policy. The Company will also provide the standard contingent non-forfeiture benefit to all policyholders who qualify for that option.

2. Applicable Form

GLTC-1N91 (an employer group policy)

This form was issued in Virginia by Trigon Blue Cross Blue Shield from 1992 through 2004 and assumed by United Security Assurance Company of PA ("United Security" or "company") effective September, 2009.

All but six of the 156 policies in force as of 12/31/19 were issued in 1992. Five of those 6 were issued in 1993 and 1995; the exception is a policy issued in Nov, 2004. That 2004 policy is removed from this filing (pre-rate stability) and the requested rate increase will not apply to that policy.

These forms are no longer marketed; they comprise a 'closed block'.

3. Description of Benefits

This form was individually underwritten with policies issued Standard.

This form is comprehensive.

Benefit eligibility across all forms is based on activities of daily living (ADL) deficiencies or cognitive impairment.

Waiver of premium is provided when certain benefits are being paid.

This form offers inflation protection options of 5% simple and 5% compound with the inflation growth limited to 20 years.

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The benefit period for this form is defined by a pool of money.

Exhibit 1 summarizes the current in force by various parameters.

4. Renewability

These policies are guaranteed renewable for life.

5. Applicability

As these policy forms are no longer being sold, this filing is applicable to inforce policies only.

6. Actuarial Assumptions

a. Morbidity

The expected claim costs (policy specific varying by policy duration) were provided by the ceding company at the time this block was purchased. They are the basis for determining statutory active life reserves, and United Security believes, were the basis for the original pricing, as well.

b. Voluntary Termination Rates

Using 1994 Group Annuitant Mortality (94GAM) as the expected mortality basis from which additional terminations due to lapse can be determined, historical experience between 2010 and 2019 validates a non-death termination rate of 1% per year.

c. Mortality

The underlying mortality basis is 100% of the 1994 Group Annuitant Mortality (GAM) Table.

d. Expenses

Expenses have not been explicitly projected. It is assumed that the originally filed expense assumptions remain appropriate.

e. Adverse Selection: We have not modeled any shock lapse or adverse selection associated with this rate increase. Any contingent benefit in light of the rate increase is assumed to offset future expected premiums and benefits due to the combined impact of reduced benefit options and contingent benefit upon lapse election.

These assumptions are based on the experience of the particular policy forms in this filing. The assumptions used in this filing are considered best-estimate. As stated earlier, actual morbidity levels are in excess of expected levels, in large part due to the higher than expected claims experience for older ages. These factors are the primary drivers for this request.

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In establishing the assumptions described in this section, the policy design, underwriting, and claims adjudication practices for the above-referenced policy forms were taken into consideration.

7. Marketing Method

These policy forms were marketed in Virginia by agents and brokers of Trigon. These forms are no longer marketed or sold.

8. Underwriting Description

These policies were fully underwritten with the use of various underwriting tools in addition to the application, which may have included, actively at work, medical records, an attending physician's statement, telephone interview and/or face-to-face assessment.

9. Premiums

Premiums are unisex and payable for life. The premiums may vary by issue age, benefit period, initial daily benefit, elimination period, inflation option, premium payment option, risk class, and the selection of any riders.

10. Issue Age Range

Issue ages of the current in force population range from 22 to 74.

11. Area Factors

Area factors are not used for this product.

12. Premium Modalization Rules

The following modal factors are applied to the annual premium (AP): annual 100%, semi-annual 52%, quarterly 27% and monthly 0.9%.

13. Reserves

Active life reserves have not been used in this analysis and are not included in the projected loss ratios or incurred claims.

The calendar year changes in claim (including IBNR) reserves and unearned premium reserves are implicit within the incurred claims and earned premium figures, respectively, prior to 2010 (prior to acquisition) and explicitly included for subsequent years.

14. Trend Assumptions

As this is not medical insurance, we have not included any explicit medical cost trends in the projections.

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15. Past and Future Experience

Experience (historical and projected) is shown in Exhibit 3. Since all policies in this block were issued in Virginia, nationwide experience is equal to the Virginia experience and therefore a separate exhibit is not included for nationwide.

Historical experience is shown on a calendar year basis. An annual loss ratio is calculated without interest as incurred claims divided by earned premiums. Since 2010 (acquisition), historical incurred claims used in Exhibit 3 are determined as claims paid in the calendar year plus the allocation of current year claim reserves by incurred calendar year. ***[NOTE: premium and claim activity prior to 2010 (acquisition) has been set equal to 2010; this seems reasonable because all but six policies were issued in 1992, there have been no rate increases, claim activity has been almost non-existent, and the implied historical levels are consistent with the known experience (this also produces a conservative historical loss ratio)].*** These items are then accumulated at 5.49% to produce an accumulated loss ratio of past experience.

For purposes of accumulating historical experience for a historical or lifetime loss ratio calculation, these calendar year totals are assumed to represent a mid-year value.

A future annual loss ratio is calculated without interest as anticipated incurred claims divided by anticipated earned premiums. The anticipated incurred claims and earned premium are computed by applying trend (run-out) factors to starting base amounts equal to 2020 actual earned premium and incurred claims. The trend factors are equal to the ratio of successive years' aggregate expected annual incurred claims and inforce annual premium derived from a seriatim (policy-level) projection of the YE 2020 in force using the actuarial assumptions noted in Section 5.

The present value of future anticipated experience, similar to the accumulation of the historical experience, utilizes a mid-year assumption and 5.49% discount rate. The loss ratio components are computed using a weighted average valuation interest rate of 5.49% which was derived by weighting the 1992 issued inforce (150 policies) by the 1992 valuation interest rate of 5.50%, and the 1993 and 1995 issued inforce (5 policies) by the 1993 valuation interest rate of 5.0%.

A lifetime loss ratio, as of December 31, 2020, is calculated as the sum of accumulated historical experience and discounted future experience, where accumulation and discounting of calendar year values to December 31, 2020 occurs assuming mid-year values. As indicated in Exhibit 3, the anticipated lifetime loss ratio under best-estimate assumptions is 98.0%, higher than the original pricing lifetime loss ratio of 72.7%.

Exhibit 3 provides a demonstration of the lifetime loss ratio of 98.0%, using the discount rate mentioned above, as of December 31, 2020 assuming no future rate increase(s).

Exhibit 5 provides a demonstration of the lifetime loss ratio of 96.1%, using the discount rate mentioned above, as of December 31, 2020 assuming the implementation of the requested rate increase of 35.0%.

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The anticipated loss ratio as of December 31, 2020 is equal to the ratio of the present value of anticipated incurred claims to the present value of anticipated earned premium, discounted at both rates. The lifetime loss ratio anticipated in the original filing was 72.7%.

16. History of Previous Rate Revisions

None

17. Analysis Performed to Consider a Rate Increase

The initial premium schedule was based on pricing assumptions believed to be appropriate, given industry experience available when the initial rate schedule was developed. A description of these is as follows:

a. Original Pricing Claim Costs

The basic claim costs for this policy form are derived from data found in the 1985 National Nursing Home Survey, the Connecticut Longitudinal Study, and various other studies which are based on experience of the general population. Antiselection is anticipated under an insured program even with underwriting. The probability of service utilization (frequency) will be greater for some insureds; the length of time (severity) that services are utilized will be lengthened over that of the general population. The claim costs are increased for anticipated antiselection by 100% at attained age 30 and lower and reduce to zero at attained age 70. This ratio is exclusive of adjustments for the underwriting selection factors and for benefit differences.

b. Original Pricing Termination Assumptions

Original pricing expected total termination rates were based on CNA long-term care termination experience at the time of the original pricing. These rates varied by issue age and duration. For attained ages 65 and above, total terminations were floored at deaths plus 8%.

c. Original Pricing Expected Investment Earnings

8.0% in the first 2 years, followed by 7.5% and 7.0% in years 3 and 4, and 6.5% in year 5 and all following years.

d. Original Pricing Mortality

1983 Individual Annuitants Table (sex blended).

United Security management determined that since experience and future expectations have deteriorated from the company's original reinsurance analysis, a rate schedule increase would be considered.

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As part of the in-force management of the business, United Security monitors the performance of the business by completing periodic analysis of morbidity and persistency. These analyses indicated deterioration since the original reinsurance analysis. Currently, they indicate a further deterioration in future years, far outpacing these requested rate increases.

The assumptions used in this filing (described in Section 5) are based on actual in-force experience of this block of business as well as industry experience and judgment.

18. Requested Rate Increase and Demonstration of Satisfaction of Rate Stabilization Model Requirements

Although a much larger rate increase is justified at this time (about 922.5%), the Company is requesting a rate increase of 35.0% on all premium paying policies in force. To mitigate the impact of this rate increase on policyholders, we offer policy modifications to partially or completely offset the rate increase. We are in agreement that rate increases are unpleasant and unfortunate. We did not price and market these forms but are simply attempting to mitigate the adverse consequences of this aging assumed block and bring premium levels into appropriate balance with the benefits being offered.

Corresponding rate tables reflecting the proposed increase is included with this memorandum in Exhibit 4.

19. Number of Insureds and Annualized Premium

Based on December 31, 2020 in-force premium paying policies, the number of insureds and annualized premium that will be affected by this increase in this jurisdiction (which is the nationwide number of insureds) are shown in the table below. Further nationwide splits by key benefit characteristics are shown in Exhibit 1.

Policy Form	Number of Policies	Current Annualized Premium Before Increase	Average Annualized Premium Before Increase	Annual Premium After Increase	Average Annualized Premium After Increase
Total	150	64,497	430	87,071	580

20. Proposed Effective Date

This rate increase will apply to policies on their next premium payment date following a 75-day policyholder notification period following approval.

21. Actuarial Certification

I am an Associate of the Society of Actuaries and a Member of the American Academy of Actuaries, and I meet the Academy's qualification standards for preparing health rate filings and

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to render the actuarial opinion contained herein. This memorandum has been prepared in conformity with all applicable Actuarial Standards of Practice, including Actuarial Standards of Practice No. 8 and 18.

As agreed in our phone conversation of May 10, 2021, I am providing a VAC 5-200-153 Subdivision B. 2. certification at this time. The Company will continue to monitor experience but no further rate action will be taken unless actual experience deteriorates substantially from that expected with this rate increase.

I also hereby certify that, to the best of my knowledge and judgment, this rate submission is in compliance with the applicable laws and regulations of the Commonwealth of Virginia and, with this increase, the premiums are reasonable in relation to the benefits provided. In my opinion the rates are not excessive or unfairly discriminatory. This filing will enhance premium adequacy.



Gary R. Hulet, ASA, MAAA  
Staff Actuary  
United Security Assurance Company of Pennsylvania  
Date: June 14, 2021

Exhibit 1  
 United Security Assurance Company of PA  
 Business Assumed Trigon  
 Nationwide/VA as of 12/31/2020  
 Group Policy Form GLTC-1N91

<u>Model Issue Age</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
< 55	141	53,843	83.48%
55-59	4	3,739	5.80%
60-64	3	3,825	5.93%
65-69	1	1,166	1.81%
70-74	1	1,924	2.98%
75-79	-	-	0.00%
<u>&gt; 79</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>
Total	150	64,497	29.0
<u>Attained Age</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
< 50	-	-	0.00%
50-59	8	1,906	2.96%
60-69	52	15,499	24.03%
70-79	74	32,120	49.80%
80-89	11	8,056	12.49%
90-99	4	4,991	7.74%
<u>&gt; 99</u>	<u>1</u>	<u>1,924</u>	<u>2.98%</u>
Total	150	64,497	71.7
<u>Benefit Period</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
\$60,000	23	5,331	8.27%
\$130,000	65	26,477	41.05%
<u>\$200,000</u>	<u>62</u>	<u>32,689</u>	<u>50.68%</u>
Total	150	64,497	100%
<u>Elimination Period</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
30 Days	110	48,872	75.77%
<u>90 Days</u>	<u>40</u>	<u>15,625</u>	<u>24.23%</u>
Total	150	64,497	100%
<u>Inflation Option</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
None	15	6,613	10.25%
5% Simple (20 years)	26	12,249	18.99%
<u>5% Compound (20 years)</u>	<u>109</u>	<u>45,635</u>	<u>70.76%</u>
Total	150	64,497	100%

Exhibit 1  
 United Security Assurance Company of PA  
 Business Assumed Trigon  
 Nationwide/VA as of 12/31/2020  
 Group Policy Form GLTC-1N91

<u>HHC Benefit</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
No	-	-	0.00%
<u>Yes</u>	<u>150</u>	<u>64,497</u>	<u>100.00%</u>
Total	150	64,497	100%

<u>Current Daily Benefit</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
< 50	1	161	0.25%
50-59	4	459	0.71%
60-69	9	2,725	4.23%
70-79	7	1,405	2.18%
80-89	30	11,681	18.11%
90-99	14	5,287	8.20%
100-109	60	26,311	40.79%
110-119	1	340	0.53%
120-129	7	4,319	6.70%
130-139	3	1,721	2.67%
140-149	-	-	0.00%
150-159	14	10,088	15.64%
160-169	-	-	0.00%
170-179	-	-	0.00%
180-189	-	-	0.00%
190-199	-	-	0.00%
200-209	-	-	0.00%
210-219	-	-	0.00%
220-229	-	-	0.00%
230-239	-	-	0.00%
240-249	-	-	0.00%
250-259	-	-	0.00%
260-269	-	-	0.00%
<u>&gt; 269</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>
Total	150	64,497	100%

<u>Policy Form</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
<u>GLTC-1N91</u>	<u>150</u>	<u>64,497</u>	<u>100%</u>
Total	150	64,497	100%

<u>UWC</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
P	-	-	0%
<u>S</u>	<u>150</u>	<u>64,497</u>	<u>100%</u>
Total	150	64,497	100%

Exhibit 2  
United Security Assurance Company of PA  
Business Assumed from TRIGON  
Policy Form GLTC-1N91

<u>Policy</u> <u>Year</u>	<u>Loss</u> <u>Ratio</u>
1	14.2%
2	19.8%
3	25.7%
4	29.4%
5	32.9%
6	36.7%
7	41.5%
8	47.9%
9	55.7%
10	64.4%
11	74.7%
12	87.3%
13	102.7%
14	119.7%
15	137.7%
16	158.5%
17	183.6%
18	219.2%
19	253.5%
20	299.0%

Exhibit 3  
 United Security Assurance Company of PA  
 Business Assumed from TRIGON  
 Current Experience with no rate increase - Projected Exp using Asset Adequacy  
 Nationwide/VA  
 Policy Form GLTC-1N91

Year	Cash <u>Premium</u>	Earned <u>Premium</u>	Paid <u>Claims</u>	Incurred <u>Claims</u>	Loss <u>Ratio</u>
1996	71,949	71,949	-	-	0.0%
1997	71,949	71,949	-	-	0.0%
1998	71,949	71,949	-	-	0.0%
1999	71,949	71,949	-	-	0.0%
2000	71,949	71,949	-	-	0.0%
2001	71,949	71,949	-	-	0.0%
2002	71,949	71,949	-	-	0.0%
2003	71,949	71,949	-	-	0.0%
2004	71,949	71,949	-	-	0.0%
2005	71,949	71,949	-	-	0.0%
2006	71,949	71,949	-	-	0.0%
2007	71,949	71,949	-	-	0.0%
2008	71,949	71,949	-	-	0.0%
2009	71,949	71,949	-	-	0.0%
2010	71,949	71,949	-	-	0.0%
2011	75,912	75,912	-	-	0.0%
2012	76,061	72,937	8,673	8,673	11.9%
2013	73,859	73,908	1,554	1,554	2.1%
2014	72,384	72,701	-	-	0.0%
2015	73,380	73,512	5,760	30,611	41.6%
2016	69,172	66,394	49,070	151,716	228.5%
2017	68,244	68,204	64,027	222,213	325.8%
2018	67,604	67,696	94,030	42,277	62.5%
2019	66,066	66,027	104,995	149,356	226.2%
2020	63,850	64,596	257,182	665,291	1029.9%
Cumulative @ 5.49%		3,758,607		1,411,393	37.6%
2021		53,500		284,262	531.3%
2022		46,751		274,818	587.8%
2023		40,341		264,572	655.8%
2024		34,643		252,533	729.0%
2025		29,607		240,639	812.8%
2026		25,214		229,048	908.4%
2027		21,397		217,293	1015.5%
2028		18,093		205,747	1137.2%
2029		15,236		194,242	1274.9%
2030		12,774		182,828	1431.3%
2031		10,671		171,891	1610.9%
2032		8,883		161,291	1815.7%
2033		7,371		150,955	2047.9%
2034		6,097		140,973	2312.0%
2035		5,027		131,311	2612.3%
2036		4,132		121,837	2948.7%
2037		3,385		121,149	3579.1%
2038		2,764		112,695	4077.6%
2039		2,250		97,979	4354.3%
2040		1,824		88,542	4854.2%
2041		1,473		78,793	5347.6%
2042		1,185		69,880	5894.8%
2043		950		61,565	6477.4%
2044		759		53,876	7096.4%
2045		603		46,389	7691.1%
2046		477		39,512	8285.0%
2047		376		33,450	8907.0%
2048		295		28,665	9719.5%
2049		231		24,044	10411.9%
2050		180		20,499	11407.7%
2051		139		16,753	12050.0%
2052		107		13,932	13007.1%
2053		82		11,479	13940.0%
2054		63		9,337	14810.2%
2055		48		7,464	15563.6%
PV of Future @ 5.49%		266,421		2,534,071	951.2%
Total		4,025,029		3,945,463	98.0%

Exhibit 5  
United Security Assurance Company of PA  
Business Assumed from TRIGON  
Current Experience with 35.0% rate increase  
Nationwide/VA  
Policy Form GLTC-1N91

<u>Year</u>	<u>Cash Premium</u>	<u>Earned Premium</u>	<u>Paid Claims</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>
1996	71,949	71,949	-	-	0.0%
1997	71,949	71,949	-	-	0.0%
1998	71,949	71,949	-	-	0.0%
1999	71,949	71,949	-	-	0.0%
2000	71,949	71,949	-	-	0.0%
2001	71,949	71,949	-	-	0.0%
2002	71,949	71,949	-	-	0.0%
2003	71,949	71,949	-	-	0.0%
2004	71,949	71,949	-	-	0.0%
2005	71,949	71,949	-	-	0.0%
2006	71,949	71,949	-	-	0.0%
2007	71,949	71,949	-	-	0.0%
2008	71,949	71,949	-	-	0.0%
2009	71,949	71,949	-	-	0.0%
2010	71,949	71,949	-	-	0.0%
2011	75,912	75,912	-	-	0.0%
2012	76,061	72,937	8,673	8,673	11.9%
2013	73,859	73,908	1,554	1,554	2.1%
2014	72,384	72,701	-	-	0.0%
2015	73,380	73,512	5,760	30,611	41.6%
2016	69,172	66,394	49,070	151,716	228.5%
2017	68,244	68,204	64,027	222,213	325.8%
2018	67,604	67,696	94,030	42,277	62.5%
2019	66,066	66,027	104,995	149,356	226.2%
2020	63,850	64,596	257,182	665,291	1029.9%
Cumulative @ 5.49%		3,758,607		1,411,393	37.6%
2021		59,123		284,262	480.8%
2022		63,114		274,818	435.4%
2023		54,461		264,572	485.8%
2024		46,768		252,533	540.0%
2025		39,969		240,639	602.1%
2026		34,039		229,048	672.9%
2027		28,886		217,293	752.2%
2028		24,426		205,747	842.3%
2029		20,569		194,242	944.4%
2030		17,244		182,828	1060.2%
2031		14,406		171,891	1193.2%
2032		11,992		161,291	1345.0%
2033		9,951		150,955	1517.0%
2034		8,232		140,973	1712.6%
2035		6,786		131,311	1935.0%
2036		5,578		121,837	2184.2%
2037		4,570		121,149	2651.2%
2038		3,731		112,695	3020.4%
2039		3,038		97,979	3225.4%
2040		2,462		88,542	3595.7%
2041		1,989		78,793	3961.2%
2042		1,600		69,880	4366.5%
2043		1,283		61,565	4798.1%
2044		1,025		53,876	5256.6%
2045		814		46,389	5697.1%
2046		644		39,512	6137.1%
2047		507		33,450	6597.8%
2048		398		28,665	7199.6%
2049		312		24,044	7712.5%
2050		243		20,499	8450.1%
2051		188		16,753	8925.9%
2052		145		13,932	9634.9%
2053		111		11,479	10325.9%
2054		85		9,337	10970.5%
2055		65		7,464	11528.6%
PV of Future @ 5.49%		347,248		2,534,071	729.8%
Total		4,105,856		3,945,463	96.1%

**Long Term Care Insurance Rate Request Summary  
Part 1 – To Be Completed By Company**

**Company Name and NAIC Number:** United Security Assurance Company of Pennsylvania – NAIC # 42129

**SERFF Tracking Number:** USPA-132508445

**Revised Rates**

**Average Annual Premium Per Member:** \$430

**Average Requested Percentage Rate Change Per Member:** 35.0%

**Range of Requested Rate Changes:** 35.0%

**Number of Virginia Policyholders Affected:** 150

Form Number	Product Name	Issue Dates	Prior Rate Increases – Date and Percentage Approved	Outlook for Future Rate Increases
GLTC-1N91	Employer Group Long Term Care Insurance	1992-1995	None	The Company will continue to monitor experience but no further rate action will be taken unless actual experience deteriorates substantially from that expected with this rate increase.

**Attach a narrative to summarize the key information used to develop the rates including the main drivers for the revised rates.**

This document is prepared by the carrier to help explain the requested rate change and is only a summary of the company’s request. It is not intended to describe or include all factors or information considered in the review process. For more detailed information, please refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. (Rev. 06/19)

These policy forms were issued by Trigon Insurance Company from 1992 to 1995. They were assumed by United Security Assurance Company (the Company) in 2009. During recent years, claims have been higher than expected. This adverse morbidity experience is consistent with the Society of Actuaries Long Term Care studies of 2001, 2004, and 2007 which demonstrate significant shifts (up to a multiple of 4) in the incidence rates for persons over age 75 relative to earlier studies (1999 and prior). The original pricing anticipated lifetime loss ratio for this business was 72.7%. The current anticipated lifetime loss ratio without this rate increase is projected to be 150.6%. As a compromise between the needs of the Company and the financial duress created on policyholders by rate increases, the Company is requesting an increase of 35.0% at this time (rather than the 922.5% needed to return to the original anticipated lifetime loss ratio) to mediate losses caused by the current and future adverse claims experience.

# United Security Assurance Company of Pennsylvania

673 East Cherry Lane, P.O. Box 64477,  
Souderton, Pennsylvania 18964  
(800) 872-3044

August 28, 2020

Virginia Department of Insurance  
Bureau of Insurance  
Tyler Building  
1300 E. Main Street  
Richmond, Virginia 23219

**RE: United Security Assurance Company of Pennsylvania – NAIC # 42129**  
Rate Increase Request for Group Policies Assumed from Trigon Blue Cross Blue Shield

Dear Examiner:

Enclosed for your review is a filing for rate increases on group Long Term Care policies issued by Trigon Blue Cross Blue Shield and assumed by United Security Assurance Company of Pennsylvania. The increases are being requested on in force business only as this form is no longer marketed. The assumption was approved by the department on September 30, 2009.

While the rate increases justified under the Virginia statutes amount to a one time increase in excess of 1027%, the Company is proposing that three rate increases of 26.16% each for the next three years be implemented (this is the equivalent of a one-time rate increase of 82.236%) approximately mid-year, each year.

Thank you in advance for your review of this filing. Should you have any questions, please do not hesitate to contact me at [mstephens@usa-cal.com](mailto:mstephens@usa-cal.com) or at 1-800-872-3044.

Sincerely,



Martha Stephens  
Vice President of Operations  
Phone: (215) 723-3044  
E-Mail: [mstephens@usa-cal.com](mailto:mstephens@usa-cal.com)



DUNCANSON & HOLT, INC.  
REINSURANCE MANAGERS

AMERICAN LONG TERM CARE REINSURANCE GROUP

ACTUARIAL MEMORANDUM  
EMPLOYER GROUP LONG TERM CARE INSURANCE  
FOR  
BLUE CROSS/BLUE SHIELD OF VIRGINIA  
POLICY FORM # GLTC-1N91

This will certify that I drafted the Actuarial Memorandum and constructed the premium rates for the above policy form.

To the best of my knowledge and judgment, the rate filing is in compliance with the applicable laws and regulations of Virginia. Based on the distribution of sales, the average annual premium is estimated to be \$ 515. The anticipated loss ratio, which is the ratio of the present value of expected benefits to the present value of expected premium is expected to be 72.7% over the life of the policy which compares favorably to the 50% requirement for a plan of this type with an average annual premium under \$1,000.

In my opinion, the premiums are reasonable in relation to the benefits provided.

*Gary L. Corliss*

GARY L. CORLISS, FSA, MAAA  
NOVEMBER 26, 1991

(203) 677-7300

BLUE CROSS BLUE SHIELD OF VIRGINIA  
EMPLOYER GROUP LONG TERM CARE INSURANCE  
POLICY FORM # GLTC-1N91  
BENEFIT SUMMARY

This employer group policy provides benefits for expenses incurred for long term care while confined in a nursing facility (100%), while receiving home health care (50%), home care (50%), respite care (80%), hospice care (\$75 per day for six months) or adult day care (50%). There is an ambulance benefit described in the policy. This coverage also provides benefits for care coordination. There is no requirement of pre-hospitalization to collect benefits under this policy form. After 90 days of confinement benefits, premiums will be waived for the remainder of time that One Period of Care continues.

The Inflation Protection Option when selected increases the daily benefit amounts 5% per year for twenty (20) years. One version increases the face amount by 5% of the original benefit amount (simple) on each policy anniversary. The other version increases the face amount by 5% over the current benefit amount (compound). The particular type needs to be selected by the employer.

Another Optional benefit provides a return of all premiums paid at death should any insured die while the policy is in force prior to age 70 without having incurred a claim.

To be eligible for benefits, the insured must require assistance in performing two or more Activities of Daily Living or be Cognitively Impaired as described in the Contract. An applicant can make a choice of daily benefit amounts (\$40-150), maximum plan benefits (\$60,000, \$130,000, \$200,000) and elimination periods (30 or 90 days).

The policy form is guaranteed renewable. The premiums may be changed based only on the insuring class and state. The coverage will be continued as long as the insured pays the premium on or before the end of the grace period.

The commissioned form is to be marketed by licensed brokers to their employer clients who wish to offer the opportunity to secure protection to their employees, employee spouses, retirees, retiree spouses and parents of the employees and spouses.

The no commission policy form is to be marketed directly to employers in Virginia by the Government and Individual Business Center of Blue Cross and Blue Shield. Eligible for coverage will be the employees of the Virginia employer as well as employee spouses, spouses, retirees, retiree spouses and parents of the employees and spouses.

Premium rates have been prepared on a level premium issue age basis. Issue ages for the base policy are ages 18 to 80.

The Return of Premium at Death Option may be purchased between issue age 18 and age 65.

BLUE CROSS BLUE SHIELD OF VIRGINIA

INDIVIDUAL LONG TERM CARE

POLICY FORM # GLTC-1N91

ACTUARIAL ASSUMPTIONS

MORBIDITY

The basic claim costs for this policy form are derived from data found in the 1985 National Nursing Home Survey, the Connecticut Longitudinal Study, and various other studies which are based on experience of the general population. Antiselection is anticipated under an insured program even with underwriting. The probability of service utilization (frequency) will be greater for some insureds; the length of time (severity) that services are utilized will be lengthened over that of the general population. The claim costs are increased for anticipated antiselection by 100% at attained age 30 and lower and reduce to zero at attained age 70. This ratio is exclusive of adjustments for the underwriting selection factors and for benefit differences.

MORTALITY - 1983 Individual Annuitants Table (sex blended)

UNDERWRITING SELECTION FACTORS

The "Underwriting Selection Factors" are based on the aggressiveness of the underwriting process. Blue Cross Blue Shield of Virginia will utilize a variety of selection techniques (such as actively at work criteria or a detailed application along with a telephone interview process and provider medical reports) that have proved quite valuable in revealing important information that would predict early propensity for need of long term care services. The pre-existing condition clause adds a small amount of additional early reduction in claims. The value of the pre-existing condition clause and the underwriting process will gradually wear off over time. The selection factors utilized in pricing this plan have been established based on past experience with these specific underwriting methodologies both for long term care insurance and other health coverages. The net impact of these factors on rates varies directly by issue age.

The Selection Factors by Policy Year are:

1	70%
2	85
3 and later	100

MANAGED CARE BENEFIT: 2% of Claims Paid

BLUE CROSS BLUE SHIELD OF VIRGINIA  
INDIVIDUAL LONG TERM CARE  
POLICY FORM # GLTC-1N91

STATUTORY RESERVES

Active Life Reserves have been determined for this policy based on the One Year Preliminary Term Method. The interest rate used throughout all years for this product is 5.5 percent. Mortality rates used are based on the 1980 CSO (female) table. Morbidity rates were identical to those used in pricing.

PREMIUM DETERMINATION

Premium rates were developed using an asset share approach. Premiums were prepared on an issue age basis assuming their adequacy over the lifetime of the policy form should assumptions be met.

A surplus amount at age 100 was determined by accumulating an average of 11 percent of each annual premium at 8 percent interest. Gross premium rates were calculated such that the surplus at the attained age of 100 was equal to the target surplus.

BLUE CROSS BLUE SHIELD OF VIRGINIA

INDIVIDUAL LONG TERM CARE

POLICY FORM # GLTC-1N91

RETURN OF PREMIUM BENEFIT

The probability that a premium refund will be made to a person who buys a policy varies slightly by issue age as demonstrated below:

<u>Issue Age</u>	<u>20 Day Elimination</u>
40	3.96%
50	4.58%
60	4.98%

The probability that a premium refund will be made to a person who dies prior to age 70 with their policy still in force is as follows:

<u>Issue Age</u>	<u>20 Day Elimination</u>
40	96.6%
50	95.8%
60	96.1%

The expected loss ratio for the return of premium option is 60.92%.

Statutory Active Life Reserves are calculated for this optional benefit and all other optional benefits using the same calculations as for the Basic Plan:

- Method: 1 Year Preliminary Term
- Interest Rate: 5 1/2%
- Mortality/Persistency Basis: 1980 CSO (female)

The premium is level over the policy lifetime to age 100.

Specifically, the following fifth year terminal reserves are to be held for issue age 40 per \$10 of maximum daily benefit. This reserve is the portion only for the Return of Premium benefit.

BENEFIT PLAN

30 DAY			90 DAY		
<u>\$60,000</u>	<u>\$130,000</u>	<u>\$200,000</u>	<u>\$60,000</u>	<u>\$130,000</u>	<u>\$200,000</u>
		Terminal Reserve			
\$ 3.77	\$ 4.92	\$ 5.58	\$ 3.49	\$ 4.57	\$ 5.18

BLUE CROSS BLUE SHIELD OF VIRGINIA  
 EMPLOYER GROUP LONG TERM CARE INSURANCE  
 POLICY FORM # GLTC-1N91  
 ACTUARIAL ASSUMPTIONS

EXPENSES Percentage of Premium	<u>Policy Year</u>		
	<u>1</u>	<u>2-10</u>	<u>11+</u>
COMMISSIONS	10.0%	10.0%	10.0%
PREMIUM TAX	.75	.75	.75
ADMINISTRATION	12.0	10.0	10.0
Per Policy - Under Age 65	\$25.00	\$25.00	\$25.00
Age 65 and Older	68.75	25.00	25.00

INVESTMENT INCOME

Policy Year

1	8.00%
2	8.00
3	7.50
4	7.00
5 and later	6.50

VOLUNTARY LAPSE RATES

<u>Policy Year</u>	<u>Lapse Rate</u>	
	<u>Under Age 65</u>	<u>Age 65 and Over</u>
1	15%	25%
2	12	20
3	10	15
4	8	14
5	6	13
6	6	12
7	6	11
8	6	10
9	6	9
10 and later	6	8

BLUE CROSS BLUE SHIELD OF VIRGINIA  
 EMPLOYER GROUP LONG TERM CARE INSURANCE  
 POLICY FORM # GLTC-1N91

\$60,000 MAXIMUM BENEFIT PLAN

30 DAY ELIMINATION PERIOD

ANNUAL PREMIUM RATES \*

PER

\$10 OF DAILY NURSING HOME BENEFIT

<u>ISSUE AGE</u>	<u>BASIC PLAN</u>	<u>5% IPO SIMPLE</u>	<u>5% IPO COMPOUND</u>	<u>RETURN OF PREMIUM</u>
18-40	\$ 17.92	\$ 25.34	\$ 29.27	+ 4.90%
41	18.67	26.56	30.78	+ 4.97%
42	19.70	28.25	32.86	+ 5.04%
43	20.94	30.28	35.37	+ 5.12%
44	22.29	32.53	38.17	+ 5.21%
45	23.66	34.90	41.12	+ 5.30%
46	24.97	37.27	44.11	+ 5.41%
47	26.27	39.72	47.23	+ 5.54%
48	27.70	42.41	50.65	+ 5.66%
49	29.39	45.52	54.55	+ 5.76%
50	31.46	49.20	59.12	+ 5.81%
51	33.83	53.35	64.23	+ 5.85%
52	36.40	57.85	69.76	+ 5.90%
53	39.32	62.87	75.89	+ 5.90%
54	42.73	68.60	82.80	+ 5.87%
55	46.75	75.20	90.67	+ 5.80%
56	51.65	83.29	100.32	+ 5.71%
57	57.32	92.77	111.65	+ 5.63%
58	63.40	102.69	123.40	+ 5.51%
59	69.50	112.13	134.31	+ 5.30%
60	75.26	120.16	143.13	+ 5.00%
61	79.91	125.38	148.13	+ 4.67%
62	83.69	128.41	150.15	+ 4.33%
63	87.76	131.34	151.78	+ 3.92%
64	93.26	136.30	155.63	+ 3.41%
65	101.32	145.36	164.27	+ 2.80%
66	111.56	158.42	177.79	+ 2.09%
67	123.21	174.08	194.45	+ 1.36%
68	136.86	192.51	214.14	+ 0.73%
69	153.10	213.89	236.78	+ 0.26%
70	172.51	238.39	262.25	N/A
71	194.69	265.67	290.23	N/A
72	219.24	295.60	320.79	N/A
73	246.78	328.72	354.42	N/A
74	277.93	365.53	391.60	N/A
75	313.30	406.55	432.82	N/A
76	358.20	457.57	483.79	N/A
77	412.21	518.25	544.17	N/A
78	467.39	579.90	605.42	N/A
79	515.77	633.85	658.98	N/A
80	549.41	671.42	696.30	N/A

\* These rates are for policies sold to a single person who is not a preferred risk. If sold to a married couple, each persons rate is lower by 10%. If sold to a preferred/nonsmoker, the rate is 10% lower. If both discounts apply, the rate is 81% of those above.

BLUE CROSS BLUE SHIELD OF VIRGINIA  
 EMPLOYER GROUP LONG TERM CARE INSURANCE  
 POLICY FORM # GLTC-1N91

\$60,000 MAXIMUM BENEFIT PLAN

90 DAY ELIMINATION PERIOD

ANNUAL PREMIUM RATES \*

PER

\$10 OF DAILY NURSING HOME BENEFIT

<u>ISSUE AGE</u>	<u>BASIC PLAN</u>	<u>5% IPO SIMPLE</u>	<u>5% IPO COMPOUND</u>	<u>RETURN OF PREMIUM</u>
40	\$ 16.55	\$ 23.12	\$ 26.58	+ 4.90%
41	17.21	24.20	27.91	+ 4.97%
42	18.12	25.68	29.74	+ 5.04%
43	19.21	27.46	31.95	+ 5.12%
44	20.39	29.45	34.41	+ 5.21%
45	21.60	31.53	37.01	+ 5.30%
46	22.75	33.54	39.64	+ 5.41%
47	23.90	35.55	42.38	+ 5.54%
48	25.15	37.80	45.38	+ 5.66%
49	26.64	40.57	48.81	+ 5.76%
50	28.46	44.09	52.82	+ 5.81%
51	30.54	48.49	57.31	+ 5.85%
52	32.81	53.59	62.16	+ 5.90%
53	35.38	59.23	67.55	+ 5.90%
54	38.37	65.22	73.61	+ 5.87%
55	41.91	71.41	80.51	+ 5.80%
56	46.20	78.11	88.97	+ 5.71%
57	51.17	85.43	98.88	+ 5.63%
58	56.49	92.90	109.17	+ 5.51%
59	61.85	100.03	118.73	+ 5.30%
60	66.92	106.34	126.48	+ 5.00%
61	71.06	110.69	130.93	+ 4.67%
62	74.49	113.41	132.79	+ 4.33%
63	78.17	116.20	134.32	+ 3.92%
64	83.07	120.75	137.76	+ 3.41%
65	90.16	128.78	145.34	+ 2.80%
66	99.09	140.17	157.12	+ 2.09%
67	109.21	153.78	171.61	+ 1.36%
68	121.05	169.79	188.72	+ 0.73%
69	135.14	188.35	208.38	+ 0.26%
70	152.00	209.62	230.49	N/A
71	171.31	233.35	254.82	N/A
72	192.72	259.43	281.43	N/A
73	216.71	288.24	310.68	N/A
74	243.76	320.18	342.92	N/A
75	274.35	355.63	378.52	N/A
76	313.02	399.53	422.35	N/A
77	359.43	451.62	474.15	N/A
78	406.81	504.50	526.65	N/A
79	448.33	550.75	572.54	N/A
80	477.21	582.97	604.52	N/A

\* These rates are for policies sold to a single person who is not a preferred risk. If sold to a married couple, each persons rate is lower by 10%. If sold to a preferred/nonsmoker, the rate is 10% lower. If both discounts apply, the rate is 81% of those above.

BLUE CROSS BLUE SHIELD OF VIRGINIA  
 EMPLOYER GROUP LONG TERM CARE INSURANCE  
 POLICY FORM # GLTC-1N91

\$130,000 MAXIMUM BENEFIT PLAN

30 DAY ELIMINATION PERIOD

ANNUAL PREMIUM RATES \*

PER

\$10 OF DAILY NURSING HOME BENEFIT

ISSUE AGE	BASIC PLAN	5% IPO SIMPLE	5% IPO COMPOUND	RETURN OF PREMIUM
18-40	\$ 23.82	\$ 34.59	\$ 40.23	+ 4.90%
41	24.87	36.31	42.35	+ 4.97%
42	26.32	38.67	45.25	+ 5.04%
43	28.06	41.51	48.76	+ 5.12%
44	29.96	44.67	52.67	+ 5.21%
45	31.89	47.99	56.80	+ 5.30%
46	33.74	51.31	60.98	+ 5.41%
47	35.59	54.75	65.33	+ 5.54%
48	37.62	58.53	70.11	+ 5.66%
49	40.01	62.89	75.56	+ 5.76%
50	42.95	68.05	81.93	+ 5.81%
51	46.32	73.88	89.06	+ 5.85%
52	50.01	80.21	96.80	+ 5.90%
53	54.17	87.27	105.36	+ 5.90%
54	58.99	95.28	114.97	+ 5.87%
55	64.64	104.45	125.85	+ 5.80%
56	71.47	115.65	139.16	+ 5.71%
57	79.38	128.74	154.76	+ 5.63%
58	87.81	142.41	170.89	+ 5.51%
59	96.23	155.36	185.83	+ 5.30%
60	104.10	166.31	197.83	+ 5.00%
61	110.31	173.26	204.45	+ 4.67%
62	115.21	177.07	206.86	+ 4.33%
63	120.48	180.74	208.70	+ 3.92%
64	127.77	187.23	213.65	+ 3.41%
65	138.75	199.53	225.34	+ 2.80%
66	152.95	217.55	243.95	+ 2.09%
67	169.27	239.31	267.05	+ 1.36%
68	188.40	264.93	294.38	+ 0.73%
69	211.02	294.55	325.69	+ 0.26%
70	237.83	328.28	360.73	N/A
71	268.07	365.47	398.87	N/A
72	301.30	406.02	440.26	N/A
73	338.62	450.94	485.88	N/A
74	381.15	501.23	536.67	N/A
75	430.02	557.88	593.61	N/A
76	492.76	629.14	664.82	N/A
77	568.64	714.32	749.66	N/A
78	646.33	801.10	835.93	N/A
79	714.51	877.10	911.45	N/A
80	761.88	929.99	964.03	N/A

\* These rates are for policies sold to a single person who is not a preferred risk. If sold to a married couple, each persons rate is lower by 10%. If sold to a preferred/nonsmoker, the rate is 10% lower. If both discounts apply, the rate is 81% of those above.

BLUE CROSS BLUE SHIELD OF VIRGINIA  
 EMPLOYER GROUP LONG TERM CARE INSURANCE  
 POLICY FORM # GLTC-1N91

\$130,000 MAXIMUM BENEFIT PLAN

90 DAY ELIMINATION PERIOD

ANNUAL PREMIUM RATES \*

PER

\$10 OF DAILY NURSING HOME BENEFIT

<u>ISSUE AGE</u>	<u>BASIC PLAN</u>	<u>5% IPO SIMPLE</u>	<u>5% IPO COMPOUND</u>	<u>RETURN OF PREMIUM</u>
18-40	\$ 22.04	\$ 31.71	\$ 36.76	+ 4.90%
41	22.98	33.24	38.65	+ 4.97%
42	24.27	35.35	41.24	+ 5.04%
43	25.82	37.88	44.37	+ 5.12%
44	27.51	40.70	47.85	+ 5.21%
45	29.24	43.66	51.53	+ 5.30%
46	30.89	46.62	55.25	+ 5.41%
47	32.54	49.68	59.13	+ 5.54%
48	34.35	53.05	63.38	+ 5.66%
49	36.48	56.92	68.23	+ 5.76%
50	39.10	61.52	73.89	+ 5.81%
51	42.11	66.71	80.23	+ 5.85%
52	45.40	72.35	87.11	+ 5.90%
53	49.11	78.63	94.73	+ 5.90%
54	53.41	85.75	103.26	+ 5.87%
55	58.43	93.90	112.92	+ 5.80%
56	64.49	103.83	124.72	+ 5.71%
57	71.50	115.43	138.53	+ 5.63%
58	78.98	127.54	152.82	+ 5.51%
59	86.46	139.02	166.06	+ 5.30%
60	93.46	148.74	176.70	+ 5.00%
61	99.03	154.95	182.62	+ 4.67%
62	103.48	158.42	184.83	+ 4.33%
63	108.25	161.75	186.55	+ 3.92%
64	114.78	167.55	190.97	+ 3.41%
65	124.52	178.43	201.30	+ 2.80%
66	137.06	194.32	217.70	+ 2.09%
67	151.44	213.48	238.03	+ 1.36%
68	168.26	236.01	262.05	+ 0.73%
69	188.12	262.02	289.54	+ 0.26%
70	211.64	291.60	320.26	N/A
71	238.19	324.22	353.69	N/A
72	267.38	359.80	390.00	N/A
73	300.11	399.17	429.94	N/A
74	337.32	443.11	474.30	N/A
75	379.92	492.44	523.85	N/A
76	434.42	554.25	585.57	N/A
77	500.22	628.00	658.96	N/A
78	567.53	703.05	733.53	N/A
79	626.60	768.77	798.77	N/A
80	667.64	814.51	844.21	N/A

\* These rates are for policies sold to a single person who is not a preferred risk. If sold to a married couple, each persons rate is lower by 10%. If sold to a preferred/nonsmoker, the rate is 10% lower. If both discounts apply, the rate is 81% of those above.

BLUE CROSS BLUE SHIELD OF VIRGINIA  
 EMPLOYER GROUP LONG TERM CARE INSURANCE  
 POLICY FORM # GLTC-1N91

\$200,000 MAXIMUM BENEFIT PLAN

30 DAY ELIMINATION PERIOD

ANNUAL PREMIUM RATES \*

PER

\$10 OF DAILY NURSING HOME BENEFIT

<u>ISSUE AGE</u>	<u>BASIC PLAN</u>	<u>5% IPO SIMPLE</u>	<u>5% IPO COMPOUND</u>	<u>RETURN OF PREMIUM</u>
18-40	\$ 27.32	\$ 39.90	\$ 46.41	+ 4.90%
41	28.53	41.86	48.81	+ 4.97%
42	30.21	44.55	52.12	+ 5.04%
43	32.21	47.80	56.10	+ 5.12%
44	34.39	51.39	60.52	+ 5.21%
45	36.60	55.15	65.17	+ 5.30%
46	38.70	58.89	69.85	+ 5.41%
47	40.78	62.75	74.72	+ 5.54%
48	43.06	66.98	80.05	+ 5.66%
49	45.75	71.85	86.13	+ 5.76%
50	49.06	77.63	93.23	+ 5.81%
51	52.87	84.16	101.19	+ 5.85%
52	57.04	91.25	109.84	+ 5.90%
53	61.74	99.16	119.40	+ 5.90%
54	67.17	108.10	130.10	+ 5.87%
55	73.50	118.32	142.20	+ 5.80%
56	81.15	130.79	156.98	+ 5.71%
57	90.00	145.34	174.30	+ 5.63%
58	99.42	160.53	192.19	+ 5.51%
59	108.79	174.88	208.71	+ 5.30%
60	117.48	186.94	221.91	+ 5.00%
61	124.21	194.44	229.03	+ 4.67%
62	129.41	198.37	231.38	+ 4.33%
63	134.98	202.11	233.07	+ 3.92%
64	142.84	209.02	238.25	+ 3.41%
65	154.90	222.50	251.03	+ 2.80%
66	170.71	242.50	271.65	+ 2.09%
67	188.99	266.76	297.35	+ 1.36%
68	210.43	295.35	327.79	+ 0.73%
69	235.71	328.33	362.62	+ 0.26%
70	265.52	365.77	401.48	N/A
71	298.94	406.82	443.57	N/A
72	335.51	451.45	489.11	N/A
73	376.61	500.91	539.33	N/A
74	423.61	556.46	595.43	N/A
75	477.91	619.34	658.63	N/A
76	547.98	698.82	738.07	N/A
77	632.92	794.07	832.95	N/A
78	719.98	891.18	929.54	N/A
79	796.42	976.28	1,014.13	N/A
80	849.50	1,035.48	1,073.00	N/A

\* These rates are for policies sold to a single person who is not a preferred risk. If sold to a married couple, each persons rate is lower by 10%. If sold to a preferred/nonsmoker, the rate is 10% lower. If both discounts apply, the rate is 81% of those above.

BLUE CROSS BLUE SHIELD OF VIRGINIA  
 EMPLOYER GROUP LONG TERM CARE INSURANCE  
 POLICY FORM # GLTC-1N91

\$200,000 MAXIMUM BENEFIT PLAN

90 DAY ELIMINATION PERIOD

ANNUAL PREMIUM RATES \*

PER

\$10 OF DAILY NURSING HOME BENEFIT

<u>ISSUE AGE</u>	<u>BASIC PLAN</u>	<u>5% IPO SIMPLE</u>	<u>5% IPO COMPOUND</u>	<u>RETURN OF PREMIUM</u>
18-40	\$ 25.28	\$ 36.62	\$ 42.47	+ 4.90%
41	26.37	38.37	44.62	+ 4.97%
42	27.87	40.79	47.58	+ 5.04%
43	29.67	43.69	51.14	+ 5.12%
44	31.62	46.91	55.10	+ 5.21%
45	33.60	50.27	59.26	+ 5.30%
46	35.48	53.61	63.44	+ 5.41%
47	37.34	57.06	67.79	+ 5.54%
48	39.38	60.84	72.55	+ 5.66%
49	41.78	65.19	77.98	+ 5.76%
50	44.74	70.35	84.31	+ 5.81%
51	48.15	76.18	91.41	+ 5.85%
52	51.87	82.52	99.13	+ 5.90%
53	56.08	89.58	107.65	+ 5.90%
54	60.93	97.56	117.19	+ 5.87%
55	66.58	106.66	127.96	+ 5.80%
56	73.40	117.75	141.11	+ 5.71%
57	81.27	130.69	156.49	+ 5.63%
58	89.66	144.20	172.39	+ 5.51%
59	98.00	156.96	187.07	+ 5.30%
60	105.76	167.69	198.81	+ 5.00%
61	111.81	174.41	205.18	+ 4.67%
62	116.52	177.98	207.34	+ 4.33%
63	121.57	181.37	208.91	+ 3.92%
64	128.62	187.56	213.54	+ 3.41%
65	139.34	199.50	224.85	+ 2.80%
66	153.34	217.18	243.07	+ 2.09%
67	169.51	238.62	265.77	+ 1.36%
68	188.43	263.85	292.63	+ 0.73%
69	210.71	292.90	323.30	+ 0.26%
70	236.93	325.82	357.45	N/A
71	266.35	361.92	394.44	N/A
72	298.56	401.19	434.48	N/A
73	334.70	444.63	478.55	N/A
74	375.89	493.25	527.62	N/A
75	423.28	548.06	582.67	N/A
76	484.18	617.04	651.56	N/A
77	557.85	699.50	733.64	N/A
78	633.28	783.50	817.12	N/A
79	699.50	857.07	890.20	N/A
80	745.49	908.27	941.07	N/A

\* These rates are for policies sold to a single person who is not a preferred risk. If sold to a married couple, each persons rate is lower by 10%. If sold to a preferred/nonsmoker, the rate is 10% lower. If both discounts apply, the rate is 81% of those above.

BLUE CROSS BLUE SHIELD OF VIRGINIA  
EMPLOYER GROUP LONG TERM CARE INSURANCE

POLICY FORM # GLTC-1N91

Commissions/Marketing Expenses

The Base Plan has a level 10% charge for the commission rate for the writing agent and/or marketing expense. If the program is developed directly between BC/BS of Virginia and an Employer (for its own employees), the premium rate will decrease. If the 10% commission rate is not paid, there is a reduction of 12% in the premium rates presented earlier.

BLUE CROSS BLUE SHIELD OF VIRGINIA

INDIVIDUAL LONG TERM CARE

POLICY FORM # GLTC-1N91

MODAL PREMIUM FACTORS

<u>Premium Mode</u>	<u>Factor</u>
Annual	1.00
Semi-Annual	.52
Quarterly	.27
Monthly	.09

Level modal premiums are obtained by multiplying the level annual premiums by the appropriate factor given above.

# United Security Assurance

## Company of Pennsylvania

673 East Cherry Lane, P.O. Box 64477,  
Souderton, Pennsylvania 18964  
(800) 872-3044

Oct. 9, 2020

Ms. Colleen Moore  
Insurance Market Examiner  
Bureau of Insurance  
Tyler Building, 6th floor  
1300 E. Main St.  
Richmond, Virginia 23219

Re: United Security Assurance Company of PA  
Trigon 2020 GLTC Rate Increase Filing  
SERFF Tracking # USPA-132508445  
Your Objection Dated 09/28/2020

Dear Ms. Moore:

Listed below are the responses to your items of objection regarding the above referenced filing. Each item is listed in italics with the response immediately following.

### **Objection 1**

*Comments: Since there have been no previous rate increase filings and the original filing predates SERFF, please attach a copy of the originally approved rate filing under supporting documentation.*

The originally approved rates are attached under Supporting Documents: [GLTC-2N91 Act Memo.pdf](#), pages 9 through 14.

### **Objection 2**

*Comments: 1) Please revise the Issue Dates to cover only those policies included in this filing.*

The Issue Dates which have been included with this rate increase filing do only cover those policies included in this filing. Of the 156 policies included in this filing, 150 were issued in 1992, 4 were issued in 1993, 1 was issued in 1995 and 1 was issued in 2004. So the issue dates span from 1992 to 2004.

*2) Please reattach the Rate Request Summary including the page 2 summary narrative which explains the reason for the rate increase in clear, consumer-friendly language.*

Please see the reattached Rate Request Summary under Supporting Documents.

### **Objection 3**

*Comments: Please attach the Certificate of Compliance pursuant to 14VAC5-101-110.*

The Certificate of Compliance was submitted under Supporting Documents.

# United Security Assurance

## Company of Pennsylvania

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(800) 872-3044

### **Objection 4**

#### *Comments:*

*1) Please advise if the actuarial assumptions associated with the rate increase request are consistent with the assumptions embedded in the most recent asset adequacy testing. If not, either make the appropriate revisions or explain any discrepancies.*

The projection assumptions vary from those used by our Appointed Actuary in support of their annual asset adequacy testing ("AAT"). Specifically, the AAT assumptions use a 1% lapse rate and claim costs based on Milliman's LTC guidelines while the projection uses a 2% lapse rate and original pricing claim costs. Our use of pricing-basis assumptions seems appropriate for purposes of assessing the anticipated lifetime loss ratio relative to the product's original expectations and maintaining the underlying consistency between annual rate certification analysis as only the difference between the annual expected and actual experience drives the change in the anticipated lifetime loss ratio (assumption changes being a non-factor).

*2) Please provide sufficient detail or documentation so that any projections can be recreated. Please provide a copy of all projections in Excel with working formulas.*

Please see Exhibit 4.xlsx, Projection Numbers tab. The first step in creating the projected Earned Premium and Incurred Claims is to extract the seriatim calculated premium and claim amounts generated by our ALR calculation workbook. Rows 2 through 157 are the expected persistency counts by policy by calendar year. Rows 200 through 355 are the expected premium amounts. Rows 400 through 555 are the expected incurred claim amounts. Rows 561 thru 563 are the sum of the seriatim values above. Rows 565 and 566 reflect the true-up of the summed amounts to the 2019 actual year-end values. Projection amounts actually used in the Exhibits are highlighted in green.

Next, refer to tabs Exhibit 3 with Formulas (referring to the originally filed Exhibit 3), Exhibit 6C with Formulas (referring to the originally filed Exhibit 6C) and Exhibit 7 with Formulas (referring to the originally filed Exhibit 7 – each with formulas). You will note that the projection rows (years 2020 through 2054) come directly from rows 565 and 566 of the Projection Numbers tab. Exhibit 3 numbers do not include any requested rate increase amounts. Exhibit 6C shows the calculation effect of the requested series of 3 annual 26.16% rate increases and Exhibit 7 shows the calculation effect of the actuarially equivalent one-time rate increase of 88.236%.

*3) Please confirm that these forms were only sold in Virginia.*

According to the information provided to us by Trigon, these policies were only sold in Virginia.

*4) Please provide an actual-to-expected analysis on the original assumptions and those included in the current filing.*

Please see the attached Exhibit 13.xlsx file. Exhibit 13A illustrates the vast discrepancy between anticipated terminations and actual terminations (terminations being the sum of deaths and lapses). Exhibit 13B indicates that the average premium per policy is below that which was anticipated at the time of pricing. Exhibit 13C shows that the investment yields are far lower than those anticipated at the time of pricing of this product. And Exhibit 13D, which should provide a comparison of actual claims experience to the anticipated claims experience, shows nothing. Unfortunately, with the information provided to us by Trigon at the time of assumption of this business, we are unable to construct any historical expected claims. In the GLTC-2N91 Act Memo.pdf (included with this filing), there is no mention of, nor projection of, expected

# United Security Assurance

## Company of Pennsylvania

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claims. Usually an Actuarial Memorandum for a new product includes a projection of expected premiums and claims, or at least some discussion of anticipated loss ratios, but this product has none, leaving us to only guess at what they may have anticipated at the time of product development.

*5) Please provide a loss ratio projection (both past and future) which reflects all the original pricing assumptions for interest, mortality, morbidity, persistency and premium scale, but uses the actual distribution of policies as issued rather than the originally assumed mix of business.*

Please see the attached [Pricing Projection.xlsx](#). Past experience is not influenced by the original pricing assumptions. The present value loss ratio of past experience is 19.7%. The present value of the anticipated future loss ratio using current assumptions (without the requested rate increase) and current mix of business is 1029.0%. The present value of the anticipated future loss ratio using the current mix of business, current model and pricing assumptions is 947.3%.

*6) Please confirm the originally filed anticipated lifetime loss ratio. Section 15 indicates the lifetime loss ratio in the original filing was slightly over 60%. The attachment GLTC-2N91 Act Memo.PDF submitted 12/2/2016 in SERFF filingUSPA-130626515 indicates 72.7%.*

I apologize for my error. As Group policies, rather than individual policies, the original pricing anticipated lifetime loss ratio was indeed 72.7% (as detailed in the attached original Actuarial Memo), rather than 60%.

*7) The filing indicates the Overall % Indicated Change is 1027%. Please explain why the Company has not previously filed for an increase.*

In light of the correct anticipated lifetime loss ratio for these policies, the Overall % Indicated Change should be only 922.5%, not 1027%.

We did attempt to include these policies with the other Trigon policies (individually issued policies) a couple of times in the past, but VA rejected such attempts. The experience on this small block was OK until 2016 (which we wouldn't have seen until mid-2017). But, was that bad year an anomaly? 2017 experience was also bad (which we wouldn't see until mid-2018), but 2018 experience was fairly good. So, was 2016 and 2017 unusual and not indicative of a trend of experience meriting a rate increase? Difficult to tell. Two bad years out of 23 years may not merit a rate increase. However, a third year of high claims (2019) provides support of experience developing worse than anticipated in the initial pricing and we have filed for a rate increase.

Also, we are a very small company with limited resources, so rate actions must be prioritized. This is a very small group of policies and our efforts have been spent working with larger blocks (like the Trigon individual policies whose rate increase request has been with VA for 2 years with no resolution but numerous objections to respond to).

Therefore, no action has been taken on this small block until it proved that rate action is indeed needed and priorities allowed action to take place.

*8) Section 15 indicates experience prior to 2010 has been set equal to 2010. Is actual experience prior to 2010 unavailable?*

Actual experience by calendar year for these policies, prior to assumption of this business in 2009, is not available, as it was combined with the individual Trigon policies' experience and un-separable. Hence, the decision to set prior experience to 2010 experience (the first year of 'separable' experience).

# United Security Assurance

## Company of Pennsylvania

673 East Cherry Lane, P.O. Box 64477,  
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(800) 872-3044

*9) What steps have been taken to minimize rate increases on this block of business?*

Our claims management procedures, used for all other blocks of LTC policies which we manage, are used with these policies.

*10) Please include a description of the basis for the reserves and justification for the reserve levels provided.*

The only reserves included in this filing are the claim reserves (active reported claims and incurred but not reported claims). Claim reserves are performed on each individual open claim using the known parameters applicable to that claim:

- 1) Incurred age,
- 2) Maximum policy benefits remaining,
- 3) Maximum monthly benefit available (inclusive of any inflation benefit),
- 4) Service type (home care, facility care),
- 5) Statutory valuation rate applicable to the incurred year of the claim, and
- 6) Claim continuance factors that vary by sex, service type, incurred age (these are reviewed with each annual year-end cycle).

IBNR reserves are monitored using a lag-triangle approach, updated monthly, and reviewed with each annual year-end cycle.

*11) Please provide all projections required to calculate the increase allowed under the Prospective Present Value Approach (Texas Method) and the Blended If-Knew/Make-up Approach (Minnesota Method).*

Please see the included [TX Method.xlsx](#) and [MN Method.xlsx](#) files. The TX Method seems to indicate the need for a 96.63% rate increase and the MN blended method seems to indicate the need for a 113.73% rate increase. We have requested a 100.8% rate increase.

Hopefully this addresses your concerns on this filing. If you have additional questions, please let me know.

Sincerely,



Gary R. Hulet, ASA, MAAA  
Staff Actuary  
United Security Assurance Company of PA  
604 Harbor Circle  
Azle, TX 76020  
407-474-1727

cc: Bill Neugroschel  
Duff Winkenwerder  
Martha Stephens

**Statement of Variable Language for**  
**Form VA-RI Policyholder Notification Letter**  
**Form TRI-CL2020 Options Cover Letter**

**General References**

The enclosed form contains variable and illustrative material set forth in brackets. Illustrative material consists of any entries such as names, dates, amounts, percentages, etc.

**Please note:** all text appearing in red in the filed version of the policyholder letter will not appear in the letter when sent to the insured. Such language has been included to provide clarification for the reviewer.

The bracketed references and surrounding text may be appropriately modified to reflect proper grammatical form.

The bracketed references that include “X’s” represent current premium or percentage of rate increase.

The remaining bracketed items are intended to vary as follows:

**Form VA-RI Policyholder Notification Letter**

Bracketing has been added to the company address should an address change be made in the future.

The address and phone number for the Administrator, Coventry CareLink Insurance Services, LLC, have been bracketed in case of future change.

The tollfree number and hours of operation of Coventry CareLink appear throughout the letter as variable fields to allow for any future updates or changes.

**[Date]** on first and subsequent page headers denotes the current Date of the correspondence.

Policy Number **[xxxxxxxxxxx]**– this bracketed field will be the insured’s policy number.

Decision Due Date: **[MM/DD/YYYY]** The bracketed date will be 15 days before the Billing Anniversary Date when the rate increase will be effective.

**[PH NAME]**— this bracketed field will reflect the insured’s full name

**[PH ADDRESS]** this will be the insured’s street address and/or PO box in either 1 or 2 lines

**[PH CITY, STATE, ZIPCODE]** the insured’s city, state and zip code

**[POLICYHOLDER]** The name of the policyholder.

**Initial Notice of Increase.**

Only one of the first three paragraphs will appear in a letter, depending on whether the State approves a single increase, a two series increase, or a three series increase. Within these paragraphs, the **[xxx]**% is the percentage of the rate increase.

Depending on the increase approved, only one of the three tables will appear in a letter. Within these tables, **[Modal]** will be the premium payment mode, Monthly, Quarterly, Semi-Annual, Annual. **[mm/dd/yyyy]** refers to the premium due date when the increase is effective. **[xxxx.xx]** refers to the premium both before and with the increase.

**SUBSEQUENT INCREASES:** If the Department approves a rate increase that is implemented over multiple years, the bracketed paragraph will appear in a second and third increase letter if applicable.

The next three bracketed paragraphs will appear if applicable to the subsequent increase. The bracketed variables within these paragraphs are as described in the initial notice of increase above.

The Virginia Bureau of Insurance’s webpage has been bracketed in case of future change.

Only One of the following paragraphs will appear in this area. **[IF ADDITIONAL INCREASE IS POSSIBLE:]** [Based on current expectations, we believe that this series of [three] increases will be sufficient to bring premiums into greater balance with claims. However, if future claims are worse than currently expected, we cannot guarantee there will not be additional rate changes sometime in the future.] **[IF ADDITIONAL INCREASE IS PROBABLE:]** [We anticipate that additional premium increase(s) will be necessary in the future, but we do not presently know the date or amount of any future increase.

The beginning sentences under “**Why is this increase necessary?**” have been bracketed to allow for change in the explanation for the increase.

Virginia Insurance Counseling and Assistance Program’s phone numbers and website have been bracketed in case of change.

The tollfree number and hours of operation of Coventry CareLink have been bracketed to allow for future changes.

The signer and title of signer are bracketed in case of future change.

**Form TRI-CL2020 Options Cover Letter**

Bracketing has been added to the company address should an address change be made in the future.

The address and phone number for the Administrator, Coventry CareLink Insurance Services, LLC, have been bracketed in case of future change.

**[Date]** on first and subsequent page headers denotes the current Date of the correspondence.

**[PH NAME]**– this bracketed field will reflect the insured’s full name

**[PH ADDRESS]** this will be the insured’s street address and/or PO box in either 1 or 2 lines

**[PH CITY, STATE, ZIPCODE]** the insured’s city, state and zip code

Policy Number **[xxxxxxxxxxx]**– this bracketed field will be the insured’s policy number.

**[Ms./Mrs./Mr. PH LASTNAME]** This will be the appropriate title and the insured’s last name.

The second and third paragraphs are bracketed and only one will be used in any letter as appropriate to whether there are Options available or not.

The fourth paragraph has bracketed phrases which will be used when Options are attached.

The phone number for Customer Service has been bracketed in case of future change.

Enclosures are bracketed and would not apply if no Options are available.

# United Security Assurance Company of Pennsylvania

Administered by Coventry CareLink Insurance Services

Name: Policy Number: Current Premium Rate Increase Effective:  
**Sample 1** **TMA00004327** **\$169.86** MM/DD/YYYY

	<u>Benefit Period</u>	<u>Elimination Period</u>	<u>Current Max Daily Benefit *</u>	<u>Inflation Option</u>	<u>Home Care %</u>	<u>New Monthly Premium</u>	<u>Check Selection</u>
Current Policy	4 Years	30 Days	\$120.00	None	50%	\$244.94	<input type="checkbox"/>
Option 1:	3 Years	30 Days	\$120.00	None	50%	\$221.97	<input type="checkbox"/>
Option 2:	4 Years	60 Days	\$120.00	None	50%	\$231.48	<input type="checkbox"/>
Option 3:	4 Years	30 Days	\$83.20	None	50%	\$169.83	<input type="checkbox"/>
Option 4:							<input type="checkbox"/> n/a
Option 5:							<input type="checkbox"/> n/a
CB:	185 Days	30 Days	\$120.00	None	50%	\$0.00	<input type="checkbox"/>

**If none of the above Options are acceptable, please contact our Customer Service department to request specific options.**

If, however, one of the above Options is acceptable, please check the box applicable to your desired Option.

\_\_\_\_\_  
 Signature of Insured/Power of Attorney

\_\_\_\_\_  
 Date Signed

If signed by Power of Attorney, durable Power of Attorney documents are required

\* = current daily benefit amount including any inflation option increases

# United Security Assurance Company of Pennsylvania

Administered by **Coventry CareLink Insurance Services**

<u>Name:</u>	<u>Policy Number:</u>	<u>Current Premium</u>	<u>Rate Increase Effective:</u>					
<b>Sample 1</b>	<b>TMA00001071</b>	<b>\$1,284.37</b>	MM/DD/YYYY					
	<u>Benefit Period</u>	<u>Elimination Period</u>	<u>Current Max Daily Benefit *</u>	<u>Inflation Option</u>	<u>Home Care %</u>	<u>New Annual Premium</u>	<u>Check Selection</u>	
Current Policy	4 Years	90 Days	\$200.00	5% Simple for Life	100%	\$1,851.85		
Option 1:	3 Years	90 Days	\$200.00	5% Simple for Life	100%	\$1,638.99		
Option 2:	4 Years	180 Days	\$200.00	5% Simple for Life	100%	\$1,626.01		
Option 3:	4 Years	90 Days	\$138.68	5% Simple for Life	100%	\$1,284.07		
Option 4:	4 Years	90 Days	\$109.68	None	100%	\$1,284.00		
Option 5:	4 Years	90 Days	\$200.00	5% Simple for Life	50%	\$1,596.42		
CB:	185 Days	90 Days	\$200.00	None	100%	\$0.00		

**If none of the above Options are acceptable, please contact our Customer Service department to request specific options.**

If, however, one of the above Options is acceptable, please check the box applicable to your desired Option.

\_\_\_\_\_  
Signature of Insured/Power of Attorney

\_\_\_\_\_  
Date Signed

If signed by Power of Attorney, durable Power of Attorney documents are required

\* = current daily benefit amount including any inflation option increases

**United Security Assurance Company of Pennsylvania**

Administered by **Coventry CareLink Insurance Services**

Name: Policy Number: Current Premium Rate Increase Effective:  
**Sample 1** **TMA00004416** **\$2,296.64** MM/DD/YYYY

	<u>Benefit Period</u>	<u>Elimination Period</u>	<u>Current Max Daily Benefit *</u>	<u>Inflation Option</u>	<u>Home Care %</u>	<u>New Annual Premium</u>	<u>Check Selection</u>
Current Policy	3 Years	30 Days	\$307.15	5% Compound for Life	100%	\$3,312.85	<input type="checkbox"/>
Option 1:	2 Years	30 Days	\$307.15	5% Compound for Life	100%	\$2,645.14	<input type="checkbox"/>
Option 2:	3 Years	60 Days	\$307.15	5% Compound for Life	100%	\$3,126.73	<input type="checkbox"/>
Option 3:	3 Years	30 Days	\$212.98	5% Compound for Life	100%	\$2,297.13	<input type="checkbox"/>
Option 4:	3 Years	30 Days	\$215.00	5% Simple for Life	100%	\$2,799.23	<input type="checkbox"/>
Option 5:	3 Years	30 Days	\$307.15	5% Compound for Life	50%	\$2,953.31	<input type="checkbox"/>
CB:	185 Days	30 Days	\$307.15	None	100%	\$0.00	<input type="checkbox"/>

**If none of the above Options are acceptable, or you have any questions, please contact our Customer Service Department at 1 (877) 782-4663 .**

If one of the above Options is acceptable, please check the box applicable to your selected Option, and sign and date below.

\_\_\_\_\_  
 Signature of Insured/Power of Attorney

\_\_\_\_\_  
 Date Signed

If signed by Power of Attorney, durable Power of Attorney documents are required

\* = current daily benefit amount including any inflation option increases

# United Security Assurance

## Company of Pennsylvania

673 East Cherry Lane, P.O. Box 64477,  
Souderton, Pennsylvania 18964  
(800) 872-3044

November 19, 2020

Ms. Colleen Moore  
Insurance Market Examiner  
Bureau of Insurance  
Tyler Building, 6th floor  
1300 E. Main St.  
Richmond, Virginia 23219

Re: United Security Assurance Company of PA  
Trigon 2020 GLTC Rate Increase Filing  
SERFF Tracking # USPA-132508445  
Your Objection Dated 11/16/2020

Dear Ms. Moore:

Listed below are the responses to your items of objection regarding the above referenced rate filing. Each item is listed in italics with the response immediately following.

### **Objection 1**

*Comments: General Information and Rate/Rule Schedule Tabs - Using a post submission update, please update the references to the 1027% increase to reflect the revised 922.5% figure.*

A post submission update reflecting the revised 922.5% figure has been submitted.

### **Objection 2**

*Comments: The previously approved filing submitted in the 10/8/20 objection response includes rates for a return of premium option which are not included in the current filing. Please explain this discrepancy.*

The Return of Premium option rates are a percentage of the policy premium, so if the policy premium increases, the "Return of Premium" premium will automatically increase. The percentages were not included in the current filing because they are not changing from those originally approved.

### **Objection 3**

*Comments: In the response to Objection 2 dated 10/8/20, the Company indicates the Issue Dates in the Rate Request Summary (1992 - 2004) reflect the policies included in this filing. Section 2 of the Actuarial Memorandum specifies that the policy issued 11/2004 was removed from this filing and the proposed rate increase will not apply to this policy. Please resolve this discrepancy.*

I apologize for my error. You are correct in stating that the policy issued 11/2004 is not included in this increase request. When I looked at the in-force policies, I failed to omit that policy. Therefore, the issue dates in the Rate Request Summary should be 1992-1995. I have submitted a new Rate Request Summary reflecting this correction.

# United Security Assurance

## Company of Pennsylvania

673 East Cherry Lane, P.O. Box 64477,  
Souderton, Pennsylvania 18964  
(800) 872-3044

### **Objection 4**

*Comments: As the filing includes the policyholder notification forms, please update the certificate of compliance for compliance with 14VAC5-101-110.*

The Company has updated the Form Schedule to file the Policyholder Notification Letter, Form VA-RI and the Options Cover Letter, Form TRI-CL2020; both of these Forms have been submitted under SERFF USPA-131712591 and are pending review. The Statement of Variability for both Forms has been attached under Supporting Documentation. We are attaching a revised Certification of Compliance although there are no Policy Forms submitted in this filing, so no Flesch score is recorded there. However, we did perform Flesch scoring on the correspondence; Form VA-RI has a Flesch Reading Ease score of 58, and Form TRI-CL2020 has a Flesch Reading Ease score of 60.

Hopefully this addresses your concerns on this filing. If you have additional questions, please let me know.

Sincerely,



Gary R. Hulet, ASA, MAAA  
Staff Actuary  
United Security Assurance Company of PA  
604 Harbor Circle  
Azle, TX 76020  
407-474-1727

cc: Bill Neugroschel  
Cameron Waite  
Duff Winkenwerder  
Martha Stephens

# United Security Assurance

## Company of Pennsylvania

673 East Cherry Lane, P.O. Box 64477,  
Souderton, Pennsylvania 18964  
(800) 872-3044

Dec. 11, 2020

Ms. Colleen Moore  
Insurance Market Examiner  
Bureau of Insurance  
Tyler Building, 6th floor  
1300 E. Main St.  
Richmond, Virginia 23219

Re: United Security Assurance Company of PA  
Trigon 2020 GLTC Rate Increase Filing  
SERFF Tracking # USPA-132508445  
Your Objection Dated 12/09/2020

Dear Ms. Moore:

Listed below are the responses to your items of objection regarding the above referenced filing. Each item is listed in italics with the response immediately following.

### **Objection 1**

*Comments: 1. The actuarial memorandum indicates that the future lapse rate is 1.0%. However, the Oct 9, 2020 response letter indicates in the response to Objection 4.1 that the projection uses a 2% lapse rate. Please reconcile.*

The Oct. 9, 2020 response statement is correct that a 2% lapse rate was used, which is the reserving lapse rate. Obviously, an error was made in the actuarial memorandum. The 1% should have been 2%.

*Comments: 2. The true-up methodology used in the projection spreadsheet, which uses only the most recent year of experience to set all future claims, is based on data which has almost no credibility and has much volatility from year to year. We do not believe that this is a reasonable method for setting the future claims assumption.*

We agree with your observation that this data has almost no credibility and much volatility from year to year. However, with very limited data and no policies similar to these Trigon GLTC policies, except the Trigon individual policies, it seemed reasonable to follow the same methodology in the development of the GLTC projections as was used for the individual projections. The most recent year's incurred claims were \$149,356. The average of the most recent 4 years' incurred claims is \$141,390, 5.3% lower. If future anticipated incurred claims are lowered by 5.3%, it produces an anticipated lifetime loss ratio of 143.5%, which being 7.1% points below the 150.6% produced by using the most recent year's incurred claims, doesn't materially change the picture of expected loss ratios which are far too high to manage with current premium levels.

*Comments: 3. Exhibit 13D indicates that there is no indication of anticipated loss ratios in the original actuarial memorandum. Please explain the source of the data in Exhibit 2 showing 20 years of loss ratios.*

As the Trigon GLTC original actuarial memo does not show any anticipated loss ratios, and the only product we have access to which has any similarity to the GLTC policies is the Trigon individual LTC policies, Exhibit 2 is showing the anticipated loss ratios from the Trigon individual LTC policies.

# United Security Assurance

## Company of Pennsylvania

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(800) 872-3044

*Comments: 4. Please explain the significance of the 7.40% interest rate in the calculation spreadsheet for the MN Method.*

The actual interest rate used is 7.398% (which rounds to 7.4%), and was used in the Trigon Non-GLTC MN Method calculations, and as I modified the spreadsheet for the GLTC policies, the 7.398% interest rate remained. It has now been removed (see MN method worksheet attached for Comment 6).

*Comments: 5. The Bureau does not allow rate increases to be justified by changes in interest rate. Please use the average valuation interest rate in all calculations, including the TX and MN methods.*

As stated in Section 15 of the Actuarial Memorandum, 7<sup>th</sup> paragraph, the weighted average valuation interest rate for these policies is 5.49%. This rate was used in the Exhibits (3, 4, 5, 6A, 6B, 6C, 7 and TX Method) provided previously (Exhibits 1, 2, 13A, 13B, 13C, and 13D do not use an interest rate). The 7.398% rate used in the MN Method worksheet has been removed (as can be observed in the attached worksheet for Comment 6 below).

*Comments: 6. Please incorporate the Cost Sharing formula into the MN Method.*

The Cost Sharing Formula has been incorporated into the MN Method worksheet, which produces a maximum allowable rate increase of 92.9%.

Hopefully this addresses your concerns on this filing. If you have additional questions, please let me know.

Sincerely,



Gary R. Hulet, ASA, MAAA  
Staff Actuary  
United Security Assurance Company of PA  
604 Harbor Circle  
Azle, TX 76020  
407-474-1727

cc: Bill Neugroschel  
Cameron Waite  
Duff Winkenwerder  
Martha Stephens

# United Security Assurance

## Company of Pennsylvania

673 East Cherry Lane, P.O. Box 64477,  
Souderton, Pennsylvania 18964  
(800) 872-3044

January 11, 2021

Ms. Colleen Moore  
Insurance Market Examiner  
Bureau of Insurance  
Tyler Building, 6th floor  
1300 E. Main St.  
Richmond, Virginia 23219

Re: United Security Assurance Company of PA  
Trigon 2020 GLTC Rate Increase Filing  
SERFF Tracking # USPA-132508445  
Your Objection Dated 01/07/2021

Dear Ms. Moore:

Listed below are the responses to your items of objection regarding the above referenced rate filing. Each item is listed in italics with the response immediately following.

### **Objection 1**

**Comments:** *Please update sections 1 and 15 of the Actuarial Memorandum for the revised originally anticipated lifetime loss ratio (72.7%) and overall % Indicated change (922.5%), as noted in the response to Objection 4, #'s 6 and 7.*

I have updated the Actuarial Memorandum, Sections 1, 15 and 18, as requested and it is attached to this response.

### **Objection 2**

**Comments:** *Exhibit 4 - We note that column C under the Projection Numbers tab shows form GLTC-2N91. This filing is for form GLTC-1N91. Please explain this discrepancy.*

The original actuarial memorandum file which we received from Trigon, dated 3/23/2010, is titled "GLTC-2N91 Act Memo.pdf" and no one has ever changed the name of that file (in the file contents, GLTC-1N91 is used). I apparently made the mistake of using the '2' rather than the '1' in labeling my column C.

### **Objection 3**

**Comments:** *Please provide the average age of the current policyholders.*

The average issue age of the current 156 policyholders is 42.99 years. The average attained age of the current 156 policyholders, as of 12/31/2019, is 71.2 years.

# United Security Assurance

## Company of Pennsylvania

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Souderton, Pennsylvania 18964  
(800) 872-3044

### **Objection 4**

*Comments: In the response to Objection #4 dated 11/19/20, the Company indicates it will use the policyholder notification forms currently being reviewed in USPA-131712591. Therefore, please remove the notification forms from the Form Schedule tab. When the forms are approved under USPA-131712591, attach copies of the approved forms and the accompanying statements of variability under Supporting Documentation.*

I have removed the policyholder notification forms from the Form Schedule tab and will add the others under supporting documents after they are approved.

Hopefully this addresses your concerns on this filing. If you have additional questions, please let me know.

Sincerely,



Gary R. Hulet, ASA, MAAA  
Staff Actuary  
United Security Assurance Company of PA  
604 Harbor Circle  
Azle, TX 76020  
407-474-1727

cc: Bill Neugroschel  
Cameron Waite  
Duff Winkenwerder  
Martha Stephens

UNITED SECURITY ASSURANCE INSURANCE COMPANY OF PA  
Address: 673 Cherry Lane, P. O. Box 64477, Souderton, PA 18964  
Actuarial Memorandum for Long Term Care Policies  
August 28, 2020

<u>Product</u>	<u>Policy Forms</u>	<u>Rider Forms</u>
Long Term Care- Group	GLTC-1N91	

1. Purpose of Filing

This actuarial memorandum has been prepared for the purpose of demonstrating that the requested rate increase of this product meets the minimum requirements and demonstrates compliance with your jurisdiction. This filing may not be suitable for other purposes.

The rate increase being requested will not apply to those policies whose premiums are being waived at the time the rate increase becomes effective but will apply if/when such policies return to a premium-paying status.

All but 1 policy in force was issued prior to Virginia's rate stabilization regulation. This one policy was omitted from this filing and I have assumed no rate action will occur at this time with respect to this policy. All of the remaining policies will be impacted by this filing. In order to obtain a 72.7% lifetime loss ratio, a large rate increase is implied based on actual past experience and expected future experience. Even though a larger increase could be justified in order to obtain a 72.7% lifetime loss ratio, the rate increase included in this filing is much lower than justified because of our concern for the burden of rate increases on policyholders. The analysis of the actual-to-expected data related to the Trigon Block indicated that the emerging data was significantly higher than the expected data. Industry data from the Society of Actuaries (SOA) LTC studies, demonstrated significant shifts in the incidence rates for persons over age 75 since the early studies and in the continuance on claim for all age groups, including the older population. Beyond these factors, mortality rates for the older population have continued to decline. All of these factors represent factors which have affected the majority of insurers of similar products. As a result, they fall within the definition of "exceptional increases" under Virginia regulation 14 VAC5-200-40. The combined factors indicate that the data supports rate increases significantly above what the Company is comfortable implementing at this time.

As a result, while the rate increases justified under the Virginia statutes amount to a one time increase in excess of 922.5%, the Company is proposing that three rate increases of 26.16% each for the next three years be implemented (this is the equivalent of a one-time rate increase of 82.236%) approximately mid-year, each year.

In addition to moderating the rate increase request (which still may be a financial burden to the affected policyholders, particularly the most senior of insureds), the Company will continue providing policy modifications as an alternative to the approved rate increase(s) or as a means by which to mitigate their full impact. In these calculations, the reduced purchasing power is

UNITED SECURITY ASSURANCE INSURANCE COMPANY OF PA  
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represented by using a premium equal to the policy's current actual premium reduced by a rate increase offset. The current premium is reduced by the rate increase factor and the revised benefits are determined by 'looking up' the benefit that could have been initially purchased by the insured at the original date of issue and age at issue. In real-time, this would be one possible option for the insured to consider in addition to any other insured-specific alternatives expressed by the insured. The ultimate objective of the Company is to construct a policy benefit for each affected insured that is notably more favorable than the contingent non-forfeiture benefit (a value equal to premiums paid) while staying within the scope of previously approved rates and factors (changes in the Elimination Period, for example).

As part of the Company's normal rate increase notification process, the Company will communicate clearly, at the time of notification, that the insured has the opportunity to discuss policy modifications designed to either moderate or fully offset the rate increase as described above. Modifications can include adjustments to the maximum daily benefit and/or other components of the policy. The Company will also provide the standard contingent non-forfeiture benefit to all policyholders who qualify for that option.

2. Applicable Form

GLTC-1N91 (an employer group policy)

This form was issued in Virginia by Trigon Blue Cross Blue Shield from 1992 through 2004 and assumed by United Security Assurance Company of PA ("United Security" or "company") effective September, 2009.

All but six of the 156 policies in force as of 12/31/19 were issued in 1992. Five of those 6 were issued in 1993 and 1995; the exception is a policy issued in Nov, 2004. That 2004 policy is removed from this filing (pre-rate stability) and the requested rate increase will not apply to that policy.

These forms are no longer marketed; they comprise a 'closed block'.

3. Description of Benefits

This form was individually underwritten with policies issued Standard.

This form is comprehensive.

Benefit eligibility across all forms is based on activities of daily living (ADL) deficiencies or cognitive impairment.

Waiver of premium is provided when certain benefits are being paid.

This form offers inflation protection options of 5% simple and 5% compound with the inflation growth limited to 20 years.

UNITED SECURITY ASSURANCE INSURANCE COMPANY OF PA  
Address: 673 Cherry Lane, P. O. Box 64477, Souderton, PA 18964  
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The benefit period for this form is defined by a pool of money.

Exhibit 1 summarizes the current in force by various parameters.

4. Renewability

These policies are guaranteed renewable for life.

5. Applicability

As these policy forms are no longer being sold, this filing is applicable to inforce policies only.

6. Actuarial Assumptions

a. Morbidity

The expected claim costs (policy specific varying by policy duration) were provided by the ceding company at the time this block was purchased. They are the basis for determining statutory active life reserves, and United Security believes, were the basis for the original pricing, as well.

b. Voluntary Termination Rates

Using 1994 Group Annuitant Mortality (94GAM) as the expected mortality basis from which additional terminations due to lapse can be determined, historical experience between 2010 and 2019 validates a non-death termination rate of 1% per year.

c. Mortality

The underlying mortality basis is 100% of the 1994 Group Annuitant Mortality (GAM) Table.

d. Expenses

Expenses have not been explicitly projected. It is assumed that the originally filed expense assumptions remain appropriate.

e. Adverse Selection: We have not modeled any shock lapse or adverse selection associated with this rate increase. Any contingent benefit in light of the rate increase is assumed to offset future expected premiums and benefits due to the combined impact of reduced benefit options and contingent benefit upon lapse election.

These assumptions are based on the experience of the particular policy forms in this filing. The assumptions used in this filing are considered best-estimate. As stated earlier, actual morbidity levels are in excess of expected levels, in large part due to the higher than expected claims experience for older ages. These factors are the primary drivers for this request.

UNITED SECURITY ASSURANCE INSURANCE COMPANY OF PA  
Address: 673 Cherry Lane, P. O. Box 64477, Souderton, PA 18964  
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In establishing the assumptions described in this section, the policy design, underwriting, and claims adjudication practices for the above-referenced policy forms were taken into consideration.

7. Marketing Method

These policy forms were marketed in Virginia by agents and brokers of Trigon. These forms are no longer marketed or sold.

8. Underwriting Description

These policies were fully underwritten with the use of various underwriting tools in addition to the application, which may have included, actively at work, medical records, an attending physician's statement, telephone interview and/or face-to-face assessment.

9. Premiums

Premiums are unisex and payable for life. The premiums may vary by issue age, benefit period, initial daily benefit, elimination period, inflation option, premium payment option, risk class, and the selection of any riders.

10. Issue Age Range

Issue ages of the current in force population range from 22 to 74.

11. Area Factors

Area factors are not used for this product.

12. Premium Modalization Rules

The following modal factors are applied to the annual premium (AP): annual 100%, semi-annual 52%, quarterly 27% and monthly 0.9%.

13. Reserves

Active life reserves have not been used in this analysis and are not included in the projected loss ratios or incurred claims.

The calendar year changes in claim (including IBNR) reserves and unearned premium reserves are implicit within the incurred claims and earned premium figures, respectively, prior to 2010 (prior to acquisition) and explicitly included for subsequent years.

14. Trend Assumptions

As this is not medical insurance, we have not included any explicit medical cost trends in the projections.

UNITED SECURITY ASSURANCE INSURANCE COMPANY OF PA  
Address: 673 Cherry Lane, P. O. Box 64477, Souderton, PA 18964  
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15. Past and Future Experience

Experience (historical and projected) is shown in Exhibit 3. Since all policies in this block were issued in Virginia, nationwide experience is equal to the Virginia experience and therefore a separate exhibit is not included for nationwide.

Historical experience is shown on a calendar year basis. An annual loss ratio is calculated without interest as incurred claims divided by earned premiums. Since 2010 (acquisition), historical incurred claims used in Exhibit 3 are determined as claims paid in the calendar year plus the allocation of current year claim reserves by incurred calendar year. ***[NOTE: premium and claim activity prior to 2010 (acquisition) has been set equal to 2010; this seems reasonable because all but six policies were issued in 1992, there have been no rate increases, claim activity has been almost non-existent, and the implied historical levels are consistent with the known experience (this also produces a conservative historical loss ratio)].*** These items are then accumulated at 5.49% to produce an accumulated loss ratio of past experience.

For purposes of accumulating historical experience for a historical or lifetime loss ratio calculation, these calendar year totals are assumed to represent a mid-year value.

A future annual loss ratio is calculated without interest as anticipated incurred claims divided by anticipated earned premiums. The anticipated incurred claims and earned premium are computed by applying trend (run-out) factors to starting base amounts equal to 2019 actual earned premium and incurred claims. The trend factors are equal to the ratio of successive years' aggregate expected annual incurred claims and inforce annual premium derived from a seriatim (policy-level) projection of the YE 2019 in force using the actuarial assumptions noted in Section 5.

The use of 2019 actual earned premium as the starting base amount is supported by the fact that actual premium has correlated highly with anticipated in prior year projections and current premium (YTD July 2020) is emerging consistent with the 2020 projected.

Exhibit 5 presents an illustration of the rate increase determination projection methodology. Using this 'parallel shift' methodology indicates that a rate increase of 200.8137% applied to all policy premiums, past and future, yields an anticipated lifetime loss ratio (LLR) of 75% (which is higher than the original pricing LLR). This 200.8137% rate increase can be divided into a series of 3 annual 26.16% rate increases ( $1.2616^3 = 2.008006$ ). As we do not want to give any indication of recouping past losses, in Exhibit 6 we only apply this requested series of 3 annual 26.16% rate increases to future years.

The present value of future anticipated experience, similar to the accumulation of the historical experience, utilizes a mid-year assumption and 5.49% discount rate. The loss ratio components are computed using a weighted average valuation interest rate of 5.49% which was derived by weighting the 1992 issued inforce (150 policies) by the 1992 valuation interest rate of 5.50%, and the 1993 and 1995 issued inforce (5 policies) by the 1993 valuation interest rate of 5.0%.

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A lifetime loss ratio, as of December 31, 2019, is calculated as the sum of accumulated historical experience and discounted future experience, where accumulation and discounting of calendar year values to December 31, 2019 occurs assuming mid-year values. As indicated in Exhibit 3, the anticipated lifetime loss ratio under best-estimate assumptions is 150.6%, far higher than the original pricing lifetime loss ratio of 72.7%.

Exhibit 3 provides a demonstration of the lifetime loss ratios, one for each of the two discount rates mentioned above, as of December 31, 2019 assuming a no future rate increase(s).

Exhibit 6A provides a demonstration of the lifetime loss ratio, one for each of the two discount rates mentioned above, as of December 31, 2019 assuming one implementation of the requested rate increase of 26.16%.

Exhibit 6B provides a demonstration of the lifetime loss ratio, one for each of the two discount rates mentioned above, as of December 31, 2019 assuming two implementations of the rate increase of 26.16%.

Exhibit 6C provides a demonstration of the lifetime loss ratio, one for each of the two discount rates mentioned above, as of December 31, 2019, assuming full implementation of the requested rate increase of 26.16% per year for the next three years. As shown, the anticipated lifetime loss ratio, under either discount rate, as of December 31, 2019 is far greater than the lifetime loss ratio anticipated in the original filing.

The projection in Exhibit 7 provides a demonstration, using a 1 time rate increase equivalent to the requested series of three 26.16% increases. With the 1 time rate increase of 82.236%, the actuarial equivalent of the series of 3 annual 26.16% increases, the lifetime loss ratio is still well over 100%.

The anticipated loss ratio as of December 31, 2019 is equal to the ratio of the present value of anticipated incurred claims to the present value of anticipated earned premium, discounted at both rates. The lifetime loss ratio anticipated in the original filing was 72.7%.

16. History of Previous Rate Revisions

None

17. Analysis Performed to Consider a Rate Increase

The initial premium schedule was based on pricing assumptions believed to be appropriate, given industry experience available when the initial rate schedule was developed. A description of these is as follows:

a. Original Pricing Claim Costs

UNITED SECURITY ASSURANCE INSURANCE COMPANY OF PA  
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The basic claim costs for this policy form are derived from data found in the 1985 National Nursing Home Survey, the Connecticut Longitudinal Study, and various other studies which are based on experience of the general population. Antiselection is anticipated under an insured program even with underwriting. The probability of service utilization (frequency) will be greater for some insureds; the length of time (severity) that services are utilized will be lengthened over that of the general population. The claim costs are increased for anticipated antiselection by 100% at attained age 30 and lower and reduce to zero at attained age 70. This ratio is exclusive of adjustments for the underwriting selection factors and for benefit differences.

b. Original Pricing Termination Assumptions

Original pricing expected total termination rates were based on CNA long-term care termination experience at the time of the original pricing. These rates varied by issue age and duration. For attained ages 65 and above, total terminations were floored at deaths plus 8%.

c. Original Pricing Expected Investment Earnings

8.0% in the first 2 years, followed by 7.5% and 7.0% in years 3 and 4, and 6.5% in year 5 and all following years.

d. Original Pricing Mortality

1983 Individual Annuitants Table (sex blended).

United Security management determined that since experience and future expectations have deteriorated from the company's original reinsurance analysis, a rate schedule increase would be considered.

As part of the in-force management of the business, United Security monitors the performance of the business by completing periodic analysis of morbidity and persistency. These analyses indicated deterioration since the original reinsurance analysis. Currently, they indicate a further deterioration in future years, far outpacing these requested rate increases.

The assumptions used in this filing (described in Section 5) are based on actual in-force experience of this block of business as well as industry experience and judgment.

18. Requested Rate Increase and Demonstration of Satisfaction of Rate Stabilization Model Requirements

Although a much larger rate increase is justified at this time (about 922.5%), the Company is requesting a series of 3 annual 26.16% rate increases on all premium paying policies in force, with the understanding that experience will continue to be monitored and further modest rate action might be taken in the future if experience continues to justify as much..

UNITED SECURITY ASSURANCE INSURANCE COMPANY OF PA  
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 Actuarial Memorandum for Long Term Care Policies  
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Since industry experience indicates that no state would authorize a 922.5% rate increase, “further modest rate action” means that unless these requested increases provide some stability to this block, we may file additional rate increases in the future. To mitigate the impact of these rate increases on policyholders, we offer policy modifications to partially or completely offset the rate increases. We are in agreement that additional rate increases are unpleasant and unfortunate. To have to persist in the filing and implementation of them is a burden on both the company and the policyholder. We did not price and market these forms but are simply attempting to mitigate the adverse consequences of this aging assumed block and bring premium levels into appropriate balance with the benefits being offered.

Corresponding rate tables reflecting the proposed increase for each year are included with this memorandum in Exhibit 4A through 4C. The first increase is shown in Exhibit 4A, the rates after the second increase are shown in Exhibit 4B, and the final increase rates are shown in Exhibit 4C.

19. Number of Insureds and Annualized Premium

Based on December 31, 2019 in-force premium paying policies, the number of insureds and annualized premium that will be affected by this increase in this jurisdiction (which is the nationwide number of insureds) are shown in the table below. Further nationwide splits by key benefit characteristics are shown in Exhibit 1.

Policy Form	Number of Policies	Current Annualized Premium Before Increase	Average Annualized Premium Before Increase	Annual Premium After 1st Increase	Average Annual Premium After 1 <sup>st</sup> Increase	Annual Premium After 2 <sup>nd</sup> Increase	Average Annual Premium After 2 <sup>nd</sup> Increase	Annual Premium After 3rd Increase	Average Annual Premium After 3 <sup>rd</sup> Increase
Total	156	65,813	422	83,029	532	104,750	671	132,152	847

20. Proposed Effective Date

This rate increase will apply to policies on their next premium payment date following a 75-day policyholder notification period following approval.

UNITED SECURITY ASSURANCE INSURANCE COMPANY OF PA  
Address: 673 Cherry Lane, P. O. Box 64477, Souderton, PA 18964  
Actuarial Memorandum for Long Term Care Policies  
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21. Actuarial Certification

I am an Associate of the Society of Actuaries and a Member of the American Academy of Actuaries, and I meet the Academy's qualification standards for preparing health rate filings and to render the actuarial opinion contained herein. This memorandum has been prepared in conformity with all applicable Actuarial Standards of Practice, including Actuarial Standards of Practice No. 8 and 18.

I hereby certify that, to the best of my knowledge and judgment, this rate submission is in compliance with the applicable laws and regulations of the Commonwealth of Virginia and, with this increase, the premiums are reasonable in relation to the benefits provided. In my opinion the rates are not excessive or unfairly discriminatory. This filing will enhance premium adequacy.



Gary R. Hulet, ASA, MAAA  
Staff Actuary  
United Security Assurance Company of Pennsylvania  
Date: August 28, 2020

# United Security Assurance

## Company of Pennsylvania

673 East Cherry Lane, P.O. Box 64477,  
Souderton, Pennsylvania 18964  
(800) 872-3044

January 12, 2021

Ms. Colleen Moore  
Insurance Market Examiner  
Bureau of Insurance  
Tyler Building, 6th floor  
1300 E. Main St.  
Richmond, Virginia 23219

Re: United Security Assurance Company of PA  
Trigon 2020 GLTC Rate Increase Filing  
SERFF Tracking # USPA-132508445  
Your Objection Dated 01/11/2021

Dear Ms. Moore:

Listed below are the responses to your items of objection regarding the above referenced rate filing. Each item is listed in italics with the response immediately following.

### **Objection 1**

**Comments:** *1. Please provide the active life reserve balance as of 12/31/2019 for this block of policies.*

The active live reserve balance for this block of policies as of 12/31/2019 was \$6,073,171.57.

**Comments:** *2. Please provide a count of the total number of claims to date for this block of policies.*

The total number of claims to date for this block of policies is 11. The total paid claims on this group of policies is now \$556,174. Four of those 11 claims were 2020 incurrals. The 2020 paid claims were almost 4 times the premium income. The 2020 incurred claims were twice the projected amount included in this filing. If the 2020 experience is representative of the future, an even larger than requested rate increase is needed.

Hopefully this addresses your concerns on this filing. If you have additional questions, please let me know.

Sincerely,



Gary R. Hulet, ASA, MAAA  
Staff Actuary  
United Security Assurance Company of PA  
604 Harbor Circle  
Azle, TX 76020  
407-474-1727

cc: Bill Neugroschel  
Cameron Waite  
Duff Winkenwerder  
Martha Stephens

# United Security Assurance

## Company of Pennsylvania

673 East Cherry Lane, P.O. Box 64477,  
Souderton, Pennsylvania 18964  
(800) 872-3044

March 1, 2021

Ms. Colleen Moore  
Insurance Market Examiner  
Bureau of Insurance  
Tyler Building, 6th floor  
1300 E. Main St.  
Richmond, Virginia 23219

Re: United Security Assurance Company of Pennsylvania  
Trigon 2020 GLTC Rate Increase Filing  
SERFF Tracking # USPA-132508445  
Your Objection Dated 02/08/2021

Dear Ms. Moore:

Listed below are the responses to your items of objection regarding the above referenced filing. Each item is listed in italics with the response immediately following.

### ***Objection 1)***

*Comments: As discussed in our 2/5/2021 call, the Company provided an Active Life Reserve figure of \$6,073,172 as of 12/31/2019. This is above the present value of future claims in the loss ratio projection, which results in negative future loss ratios after deducting the active life reserve. As a result, in accordance with 14VAC5-200-150 B 11, the Bureau cannot approve an increase on this block with the data provided.*

Based on the following points, we believe that the Bureau should reconsider their decision to 'not approve an increase on this block' based upon the amount of Active Life Reserves which the Company currently (or as of 12/31/2019) holds on this block of policies.

- 1) the Active Life Reserve is a policy reserve and not a claim reserve. A claim reserve created when a policy does have a claim far exceeds the ALR on that specific policy. Furthermore, the ALR held on an individual policy cannot fund a claim reserve when a claim is filed for that policy; the company is required to maintain both the ALR and the claim reserve.
- 2) the Active Life Reserve is calculated at a required statutory interest rate, which for these policies, is 4.50%. If the present value of future expected claims in our submitted projections are evaluated at that interest rate, they are \$6,080,528, which **exceeds** the ALR held on these policies. In fact, recently incurred claims have been subject to a 3.5% valuation rate with 2021 claims subject to a 3% valuation rate (valuation rates can expect to be less than the 4.5% ALR rate for some time). The point being that any comparison of present values should use the same/equal discount rates.

# United Security Assurance

## Company of Pennsylvania

673 East Cherry Lane, P.O. Box 64477,  
Souderton, Pennsylvania 18964  
(800) 872-3044

3) if you are going to consider an offset of future expected claims with the current Active Life Reserve, it puts us into a Cash Flow Testing scenario, and 14VAC5-200-150 B8 says to consider "All appropriate expense factors" and 14VAC5-200-150 B9 says to consider "Interest". Since the present value of future expected claims exceeds the current ALR (at equal discount rates), there is a negative amount remaining to fund the payment and administration of such future claims. How is that appropriate?

4) as VA required, we showed that the TX method, the MN method, and the Cost Sharing Formula all indicate that a rate increase is justified. How can VA now justify denying an increase, based on an ALR amount (which is calculated to exclude coverage of company operating and administrative expenses, in addition to funding expenses for the payment of claims) which is less than the present value of future expected claims, when all other indicators justify a rate increase?

5) as I understand product pricing (for group LTC), the intent is to develop a premium per policy which, over the life of the block of policies issued, would return at least 72.7% of that premium to the policyholder in claim payments, cover the company's issuing, servicing, and administrative expenses, cover the cost of managing and paying the claim, provide the company with a small margin of profit, and in the end, all net to -0- zero. (Premium – claim payments – expenses – profit = \$0) We did not price this product, but took it on as a service to the existing policyholders so they may get some benefit from their purchase. Three of the last 4 calendar years have had loss ratios well over 200%. The projected lifetime loss ratio at 5.49% is over 150%; at 4.50%, the projected lifetime loss ratio exceeds 186%. Loss ratios greater than 100% leave nothing for expenses, and certainly nothing for any profit, and falls short of even being able to fully pay the claims.

Please explain your rational/justification further, other than just stating that the ALR 'exceeds' the PV of Future Claims (which it does not, if equal interest rates are used).

Hopefully this addresses your concerns on this filing. If you have additional questions, please let me know.

Sincerely,



Gary R. Hulet, ASA, MAAA  
Staff Actuary  
United Security Assurance Company of PA  
604 Harbor Circle  
Azle, TX 76020  
407-474-1727

cc: Bill Neugroschel  
Cam Waite  
Duff Winkenwerder  
Martha Stephens

# United Security Assurance

## Company of Pennsylvania

673 East Cherry Lane, P.O. Box 64477,  
Souderton, Pennsylvania 18964  
(800) 872-3044

April 7, 2021

Ms. Colleen Moore  
Insurance Market Examiner  
Bureau of Insurance  
Tyler Building, 6th floor  
1300 E. Main St.  
Richmond, Virginia 23219

Re: United Security Assurance Company of Pennsylvania  
Trigon 2020 GLTC Rate Increase Filing  
SERFF Tracking # USPA-132508445  
Your Objection Dated 03/29/2021

Dear Ms. Moore:

Listed below are the responses to your items of objection regarding the above referenced filing. Each item is listed in italics with the response immediately following.

### ***Objection 1)***

#### *Comments:*

*1. Please indicate whether the active life reserve balance as of 12/31/2019 contains any reserve strengthening or additional reserves due to asset adequacy. If so, please provide details.*

The active life reserve balance as of 12/31/2019 does not contain any reserve strengthening or additional reserves due to asset adequacy.

*2. Please comment on the underlying cause of the steep progression of the anticipated lifetime loss ratios in the annual reports filed from 2015-2019: 58%, 87%, 91%, 104%, 145%.*

The underlying cause of the steep progression of the anticipated lifetime loss ratios in the annual reports is the emergence of claims as the block has aged. The anticipated lifetime loss ratio in the 2020 annual report is around 168%.

*3. Please provide revised projections utilizing the asset adequacy assumptions for future experience.*

Attached is a revised projection utilizing the asset adequacy assumptions for future experience. I also included 2020 Yearend results. The updated Exhibit 5 seems to indicate that a 30.7% rate increase, effective since inception, would be needed to achieve the original pricing loss ratio of 75%.

# United Security Assurance

## Company of Pennsylvania

673 East Cherry Lane, P.O. Box 64477,  
Souderton, Pennsylvania 18964  
(800) 872-3044

Hopefully this addresses your concerns on this filing. If you have additional questions, please let me know.

Sincerely,

A handwritten signature in blue ink that reads "Gary R. Hulet". The signature is fluid and cursive, with a long horizontal stroke at the end.

Gary R. Hulet, ASA, MAAA  
Staff Actuary  
United Security Assurance Company of PA  
604 Harbor Circle  
Azle, TX 76020  
407-474-1727

cc: Bill Neugroschel  
Cam Waite  
Duff Winkenwerder  
Martha Stephens

Exhibit 3  
 United Security Assurance Company of PA  
 Business Assumed from TRIGON  
 Current Experience with no rate increase - Projected Exp using Asset Adequacy  
 Nationwide/VA  
 Policy Form GLTC-1N91

<u>Year</u>	<u>Cash</u> <u>Premium</u>	<u>Earned</u> <u>Premium</u>	<u>Paid</u> <u>Claims</u>	<u>Incurred</u> <u>Claims</u>	<u>Loss</u> <u>Ratio</u>
1996	71,949	71,949	-	-	0.0%
1997	71,949	71,949	-	-	0.0%
1998	71,949	71,949	-	-	0.0%
1999	71,949	71,949	-	-	0.0%
2000	71,949	71,949	-	-	0.0%
2001	71,949	71,949	-	-	0.0%
2002	71,949	71,949	-	-	0.0%
2003	71,949	71,949	-	-	0.0%
2004	71,949	71,949	-	-	0.0%
2005	71,949	71,949	-	-	0.0%
2006	71,949	71,949	-	-	0.0%
2007	71,949	71,949	-	-	0.0%
2008	71,949	71,949	-	-	0.0%
2009	71,949	71,949	-	-	0.0%
2010	71,949	71,949	-	-	0.0%
2011	75,912	75,912	-	-	0.0%
2012	76,061	72,937	8,673	8,673	11.9%
2013	73,859	73,908	1,554	1,554	2.1%
2014	72,384	72,701	-	-	0.0%
2015	73,380	73,512	5,760	30,611	41.6%
2016	69,172	66,394	49,070	151,716	228.5%
2017	68,244	68,204	64,027	222,213	325.8%
2018	67,604	67,696	94,030	42,277	62.5%
2019	66,066	66,027	104,995	149,356	226.2%
2020	63,850	64,596	257,182	665,291	1029.9%
Cumulative @ 5.49%		3,758,607		1,411,393	37.6%
2021		53,500		284,262	531.3%
2022		46,751		274,818	587.8%
2023		40,341		264,572	655.8%
2024		34,643		252,533	729.0%
2025		29,607		240,639	812.8%
2026		25,214		229,048	908.4%
2027		21,397		217,293	1015.5%
2028		18,093		205,747	1137.2%
2029		15,236		194,242	1274.9%
2030		12,774		182,828	1431.3%
2031		10,671		171,891	1610.9%
2032		8,883		161,291	1815.7%
2033		7,371		150,955	2047.9%
2034		6,097		140,973	2312.0%
2035		5,027		131,311	2612.3%
2036		4,132		121,837	2948.7%
2037		3,385		121,149	3579.1%
2038		2,764		112,695	4077.6%
2039		2,250		97,979	4354.3%
2040		1,824		88,542	4854.2%
2041		1,473		78,793	5347.6%
2042		1,185		69,880	5894.8%
2043		950		61,565	6477.4%
2044		759		53,876	7096.4%
2045		603		46,389	7691.1%
2046		477		39,512	8285.0%
2047		376		33,450	8907.0%
2048		295		28,665	9719.5%
2049		231		24,044	10411.9%
2050		180		20,499	11407.7%
2051		139		16,753	12050.0%
2052		107		13,932	13007.1%
2053		82		11,479	13940.0%
2054		63		9,337	14810.2%
2055		48		7,464	15563.6%
PV of Future @ 5.49%		266,421		2,534,071	951.2%
Total		4,025,029		3,945,463	98.0%

Exhibit 5  
 United Security Assurance Company of PA  
 Business Assumed from TRIGON  
 Current Experience with 63.372% rate increase  
 Nationwide/VA

1.30697652  
 75.000000%

Year	Policy Form GLTC-1N91					Exhibit 3
	Cash Premium	Earned Premium	Paid Claims	Incurred Claims	Loss Ratio	Earned Premium
1996	71,949	94,036	-	-	0.0%	71,949
1997	71,949	94,036	-	-	0.0%	71,949
1998	71,949	94,036	-	-	0.0%	71,949
1999	71,949	94,036	-	-	0.0%	71,949
2000	71,949	94,036	-	-	0.0%	71,949
2001	71,949	94,036	-	-	0.0%	71,949
2002	71,949	94,036	-	-	0.0%	71,949
2003	71,949	94,036	-	-	0.0%	71,949
2004	71,949	94,036	-	-	0.0%	71,949
2005	71,949	94,036	-	-	0.0%	71,949
2006	71,949	94,036	-	-	0.0%	71,949
2007	71,949	94,036	-	-	0.0%	71,949
2008	71,949	94,036	-	-	0.0%	71,949
2009	71,949	94,036	-	-	0.0%	71,949
2010	71,949	94,036	-	-	0.0%	71,949
2011	75,912	99,215	-	-	0.0%	75,912
2012	76,061	95,327	8,673	8,673	9.1%	72,937
2013	73,859	96,596	1,554	1,554	1.6%	73,908
2014	72,384	95,018	-	-	0.0%	72,701
2015	73,380	96,078	5,760	30,611	31.9%	73,512
2016	69,172	86,775	49,070	151,716	174.8%	66,394
2017	68,244	89,141	64,027	222,213	249.3%	68,204
2018	67,604	88,477	94,030	42,277	47.8%	67,696
2019	66,066	86,296	104,995	149,356	173.1%	66,027
2020	63,850	84,426	257,182	665,291	788.0%	64,596
Cumulative @ 5.49%		4,912,411		1,411,393	28.7%	3,758,607
2021		69,924		284,262	406.5%	53,500
2022		61,103		274,818	449.8%	46,751
2023		52,725		264,572	501.8%	40,341
2024		45,277		252,533	557.8%	34,643
2025		38,695		240,639	621.9%	29,607
2026		32,954		229,048	695.1%	25,214
2027		27,965		217,293	777.0%	21,397
2028		23,647		205,747	870.1%	18,093
2029		19,913		194,242	975.4%	15,236
2030		16,695		182,828	1095.1%	12,774
2031		13,946		171,891	1232.5%	10,671
2032		11,610		161,291	1389.2%	8,883
2033		9,634		150,955	1566.9%	7,371
2034		7,969		140,973	1769.0%	6,097
2035		6,570		131,311	1998.7%	5,027
2036		5,400		121,837	2256.1%	4,132
2037		4,424		121,149	2738.4%	3,385
2038		3,612		112,695	3119.9%	2,764
2039		2,941		97,979	3331.6%	2,250
2040		2,384		88,542	3714.1%	1,824
2041		1,926		78,793	4091.6%	1,473
2042		1,549		69,880	4510.2%	1,185
2043		1,242		61,565	4956.0%	950
2044		992		53,876	5429.7%	759
2045		788		46,389	5884.6%	603
2046		623		39,512	6339.1%	477
2047		491		33,450	6814.9%	376
2048		385		28,665	7436.6%	295
2049		302		24,044	7966.4%	231
2050		235		20,499	8728.3%	180
2051		182		16,753	9219.7%	139
2052		140		13,932	9952.0%	107
2053		108		11,479	10665.8%	82
2054		82		9,337	11331.6%	63
2055		63		7,464	11908.1%	48
PV of Future @ 5.49%		348,207		2,534,071	727.7%	266,421
Total		5,260,618		3,945,463	75.0%	4,025,029
Historical%		93.4%		35.8%		93.4%
Projected%		6.6%		64.2%		6.6%

**United Security Assurance Company of Pennsylvania**  
[673 East Cherry Lane, P.O. Box 64477  
Souderton, Pennsylvania 18964]

**Administered By:**  
**Coventry CareLink Insurance Services, LLC**  
[1302 Concourse Drive, Suite 303 Linthicum, Maryland 21090  
(410) 850-9060 TEL  
(410) 850-9070 FAX]

[mm/dd/yyyy]

**Notice of Rate Increase and Your Options**

**Policy Number:** [xxxxxxxxxxxx]

**Decision Due Date:** [MM/DD/YYYY]

[PH NAME]

[PH ADDRESS]

[PH CITY, STATE, ZIPCODE]

Dear [POLICYHOLDER]:

[I am writing you today from Coventry CareLink Insurance Services, as administrator of your long term care insurance policy insured by United Security Assurance Company of Pennsylvania ("USA"). We will be implementing a premium rate increase of [xxx]%. The [xxx]% increase will take effect on your Billing Anniversary date listed below. Your new modal premium amount and the date due for the scheduled rate increase is as follows:]

[I am writing you today from Coventry CareLink Insurance Services, as administrator of your long term care insurance policy insured by United Security Assurance Company of Pennsylvania ("USA"). We will be implementing a premium rate increase of [xxx]% each year for the next two years. After the two increases, the total amount of the premium rate increase is [xxx]%. The [xxx]% increase will take effect on your Billing Anniversary date listed below. Your new modal premium amount and the date due for the scheduled rate increases are as follows:]

[I am writing you today from Coventry CareLink Insurance Services, as administrator of your long term care insurance policy insured by United Security Assurance Company of Pennsylvania ("USA"). We will be implementing a premium rate increase of [xxx]% each year for the next three years. After the three increases, the total amount of the premium rate increase is [xxx]%. The [xxx]% increase will take effect on your Billing Anniversary date listed below. Your new modal premium amount and the date due for the scheduled rate increases are as follows:]

**Billing Anniversary Date**

[mm/dd/yyyy]

[mm/dd/yyyy]

[mm/dd/yyyy]

**Prior [Modal] Premium**

[\$xxxx.xx]

[\$xxxx.xx]

[\$xxxx.xx]

**New [Modal] Premium**

[\$xxxx.xx]

[\$xxxx.xx]

[\$xxxx.xx]

[I am writing you today from Coventry CareLink Insurance Services, as administrator of your long term care insurance policy insured by United Security Assurance Company of Pennsylvania ("USA"). As you may recall, we previously wrote to inform you of a premium rate increase on your

USA Long Term Care Policy that would be implemented in multiple stages. Currently, we are writing to inform you of the subsequent premium rate increase.]

[The second premium increase for your policy is [xxx]%. Your [Modal] premium payment of [\$xxxx.xx] will change to [\$xxxx.xx]. This increase will take effect on [MM/DD/YYYY].

[The second premium increase for your policy is [xxx]%. Your [Modal] premium payment of [\$xxxx.xx] will change to [\$xxxx.xx]. This increase will take effect on [MM/DD/YYYY]. A subsequent increase for your policy will be [xxx%]. This will take effect no earlier than one year from the current rate increase effective date. You will receive notice prior to the third rate increase.]

[The third premium increase for your policy is [xxx]%. Your [Modal] premium payment of [\$xxxx.xx] will change to [\$xxxx.xx]. This increase will take effect on [MM/DD/YYYY].]

The rate increase request was reviewed by Virginia's State Corporation Commission and was found to be compliant with applicable Virginia laws and regulations addressing long-term care insurance. All premium rate filings are available for public inspection and may be accessed online through the Virginia Bureau of Insurance's webpage at [<https://scc.virginia.gov/boi/SERFFInquiry/LtcFilings.aspx>].

As administrator for your United Security Assurance Policy, Coventry CareLink will be implementing the increase. Our toll-free number is: [1-877-782-4663 ext. xxx] and we are available Monday through Friday between [8:30 a.m. and 4:30 pm EST].

This premium rate increase is being implemented on all policies issued in Virginia on your Policy Form, and not on you as an individual. This rate increase is related to past and expected future claims and is not based on current economic conditions. [Based on current expectations, we believe that this [series of increases] [increase] will be sufficient to bring premiums into greater balance with claims. However, if future claims are worse than currently expected, we cannot guarantee there will not be additional rate changes sometime in the future.] [We anticipate that additional premium increase(s) will be necessary in the future, but we do not presently know the date or amount of any future increase.] Any future rate increases will not be implemented until the request has been filed with Virginia's State Corporation Commission and determined to be compliant with applicable Virginia laws and regulations addressing long-term care insurance.

### **Why is this increase necessary?**

[Premium increases are necessary when benefits paid, past and future, exceed what was expected when the policy was initially priced. We evaluated assumptions such as the amount of claims we expect to pay, the life expectancy of our insureds, the number of insureds who will voluntarily cancel their coverage, and prevailing interest rates. The results are much higher than these original projections. The reasons for this are due to individuals living longer and keeping their policies longer. This has resulted in more claims. For these reasons, premiums must be increased.] While the rates need to be increased, we want to explain the specific change to your premium and tell you how you can continue to have access to your long term care insurance coverage even if you can't afford the rate increase. So, here is what you need to know:

- If you have other policies with United Security Assurance, they will not be affected by this premium increase. This increase applies only to the Policy number shown at the top of this letter.
- You have the right to a revised premium rate or rate schedule if your premium rate or rate schedule is changed.
- **If you currently pay your premium by an automatic bank plan or credit card, your new premium amount will be automatically drafted from your account when it is due, unless you notify us prior to the Decision Due Date at the top of this letter. If you do not contact us by that date, you can still make changes to be effective at the next premium due date.**
- If you are currently receiving benefits and on waiver of premium status, any Policy changes requested will be processed once the Policy is removed from waiver and you are no longer on claim. Your premiums will not increase until you are required to begin paying premiums again. You do not have to make a decision by the Decision Due Date and can decide at the time you are coming off claim.

### Ways to Reduce the Cost

If you would like to keep your current benefits, you must pay the increased premium amount. [If you choose not to pay the increased premium, you will receive a Contingent Benefit Upon Lapse ("CB"). Under CB you will pay no more premiums and will have a paid-up benefit equal to the greater of 100% of the sum of all premiums you have already paid, or 30 times the daily nursing home benefit at the time of lapse. In no event will the paid-up value exceed the maximum benefits which would be payable if the Policy remained in a premium paying status. **In many cases, the decision to elect the CB option may result in a significant reduction in benefits.]**

If you feel you may have difficulty affording the new premium amount, there are other ways to avoid paying the rate increase [besides accepting the CB benefit described in the above paragraph].

Options available to you may be to:

1. Reduce the Daily Benefit amount, and/or
2. Reduce the Benefit Period of your Policy, and/or
3. Increase the Elimination Period, and/or
4. Remove or adjust optional Riders, if applicable.

**You should be aware that all options available to you may not be of equal value.** Please call us if you want to know the options available for your Policy.

For future rate increases, similar options may be available; however, you can contact us at any time to discuss decreasing your coverage and premiums, per the provisions of your Policy.

### How to get Help

You may wish to consult with family members and advisors about this rate increase and the options you have to minimize the effect of the increase.

You can also contact the Virginia Insurance Counseling and Assistance Program (VICAP) at Toll-Free:[1-800-552-3402 (Nationwide Voice/TTY); or (804) 662-9333, or visit their Web site: [www.vda.virginia.gov/vicap.htm](http://www.vda.virginia.gov/vicap.htm).] VICAP is a free, unbiased, confidential counseling program that offers health insurance information, education, and assistance to seniors and adults with disabilities (and their families) in understanding Medicare and making decisions about long term care insurance. The Virginia Department for Aging and Rehabilitative Services and the Bureau of Insurance has worked closely together to develop this insurance counseling program in Virginia.

***We encourage you to call our customer service department if you have any questions regarding this rate increase or would like to discuss all of your options. As administrator for your United Security Assurance Policy, Coventry CareLink will be implementing the increase. Our toll free number is: [1-877-782-4663, ext xxx] and we are available between [8:30 a.m. and 4:30 pm EST].***

We appreciate and thank you for the opportunity to service your long term care insurance.

Sincerely,

[Elaine Griffin]  
[Director of Operations]

**United Security Assurance Company of Pennsylvania**  
673 East Cherry Lane, P.O. Box 64477  
Souderton, Pennsylvania 18964

**Administered By:**  
**Coventry CareLink Insurance Services, LLC**  
1302 Concourse Drive, Suite 303 Linthicum, Maryland 21090  
(410) 850-9060 TEL  
(410) 850-9070 FAX

July 29, 2021

**Notice of Rate Increase and Your Options**

**Policy Number:** 12345678910

**Decision Due Date:** September 29, 2021

John Doe  
123 Main Street  
Anytown PA 12345

Dear John Doe:

I am writing you today from Coventry CareLink Insurance Services, as administrator of your long term care insurance policy insured by United Security Assurance Company of Pennsylvania ("USA"). We will be implementing a premium rate increase of 35%. The 35% increase will take effect on your Billing Anniversary date listed below. Your new modal premium amount and the date due for the scheduled rate increase is as follows:

<u>Billing Anniversary Date</u>	<u>Prior Annual Premium</u>	<u>New Annual Premium</u>
10/15/2021	\$2296.64	\$3100.46

The rate increase request was reviewed by Virginia's State Corporation Commission and was found to be compliant with applicable Virginia laws and regulations addressing long-term care insurance. All premium rate filings are available for public inspection and may be accessed online through the Virginia Bureau of Insurance's webpage at <https://scc.virginia.gov/boi/SERFFInquiry/LtcFilings.aspx>.

As administrator for your United Security Assurance Policy, Coventry CareLink will be implementing the increase. Our toll-free number is: 1-877-782-4663 - ext. 120 and we are available Monday through Friday between 8:30 a.m. and 4:30 pm EST.

This premium rate increase is being implemented on all policies issued in Virginia on your Policy Form, and not on you as an individual. This rate increase is related to past and expected future claims and is not based on current economic conditions. We anticipate that additional premium increase(s) will be necessary in the future, but we do not presently know the date or amount of any future increase. Any future rate increase will not be implemented until the request has been filed with Virginia's State Corporation Commission and determined to be compliant with applicable Virginia laws and regulations addressing long-term care insurance.

**Why is this increase necessary?**

Premium increases are necessary when benefits paid, past and future, exceed what was expected when the policy was initially priced. We evaluated assumptions such as the amount of claims we expect to pay, the life expectancy of our insureds, the number of insureds who will voluntarily cancel their coverage, and prevailing interest rates. The results are much higher than these original projections. The reasons for this are due to individuals living longer and keeping their policies longer. This has resulted in more claims. For these reasons, premiums must be increased. While the rates need to be increased, we want to explain the specific change to your premium and tell you how you can continue to have access to your long term care insurance coverage even if you can't afford the rate increase. So, here is what you need to know:

- If you have other policies with United Security Assurance, they will not be affected by this premium increase. This increase applies only to the Policy number shown at the top of this letter.
- You have the right to a revised premium rate or rate schedule if your premium rate or rate schedule is changed.
- **If you currently pay your premium by an automatic bank plan or credit card, your new premium amount will be automatically drafted from your account when it is due, unless you notify us prior to the Decision Due Date at the top of this letter. If you do not contact us by that date, you can still make changes to be effective at the next premium due date.**
- If you are currently receiving benefits and on waiver of premium status, any Policy changes requested will be processed once the Policy is removed from waiver and you are no longer on claim. Your premiums will not increase until you are required to begin paying premiums again. You do not have to make a decision by the Decision Due Date and can decide at the time you are coming off claim.

**Ways to Reduce the Cost**

If you would like to keep your current benefits, you must pay the increased premium amount. If you choose not to pay the increased premium, you will receive a Contingent Benefit Upon Lapse ("CB"). Under CB you will pay no more premiums and will have a paid-up benefit equal to the greater of 100% of the sum of all premiums you have already paid, or 30 times the daily nursing home benefit at the time of lapse. In no event will the paid-up value exceed the maximum benefits which would be payable if the Policy remained in a premium paying status. **In many cases, the decision to elect the CB option may result in a significant reduction in benefits.**

If you feel you may have difficulty affording the new premium amount, there are other ways to avoid paying the rate increase besides accepting the CB benefit described in the above paragraph.

Options available to you may be to:

1. Reduce the Daily Benefit amount, and/or

2. Reduce the Benefit Period of your Policy, and/or
3. Increase the Elimination Period, and/or
4. Remove or adjust optional Riders, if applicable.

**You should be aware that all options available to you may not be of equal value.** Please call us if you want to know the options available for your Policy.

For future rate increases, similar options may be available; however, you can contact us at any time to discuss decreasing your coverage and premiums, per the provisions of your Policy.

### **How to get Help**

You may wish to consult with family members and advisors about this rate increase and the options you have to minimize the effect of the increase.

You can also contact the Virginia Insurance Counseling and Assistance Program (VICAP) at Toll-Free:1-800-552-3402 (Nationwide Voice/TTY); or (804) 662-9333, or visit their Web site: [www.vda.virginia.gov/vicap.htm](http://www.vda.virginia.gov/vicap.htm). VICAP is a free, unbiased, confidential counseling program that offers health insurance information, education, and assistance to seniors and adults with disabilities (and their families) in understanding Medicare and making decisions about long term care insurance. The Virginia Department for Aging and Rehabilitative Services and the Bureau of Insurance has worked closely together to develop this insurance counseling program in Virginia.

***We encourage you to call our customer service department if you have any questions regarding this rate increase or would like to discuss all of your options. As administrator for your United Security Assurance Policy, Coventry CareLink will be implementing the increase. Our toll free number is: 1-877-782-4663, ext 120 and we are available between 8:30 a.m. and 4:30 pm EST.***

We appreciate and thank you for the opportunity to service your long term care insurance.

Sincerely,

Elaine Griffin  
Director of Operations

# United Security Assurance

Company of Pennsylvania  
[673 East Cherry Lane, P.O. Box 64477  
Souderton, Pennsylvania 18964]

## Administered By



[1302 Concourse Drive, Suite 303  
Linthicum, Maryland 21090  
(410) 850-9060 TEL  
(410) 850-9070 FAX]

[DATE]

[PH NAME]  
[PH ADDRESS]  
[PH CITY, STATE, ZIPCODE]

Policy Number: [xxxxxxxxxxxx]

Dear [Ms./Mrs./Mr. PH LASTNAME],

You have contacted our Customer Service Department in response to the letter regarding the rate increase for your United Security Assurance Company of Pennsylvania long term care policy.

[Per your request, attached please find options available to reduce your premium. As noted on the attachment, if you decide to make one of these changes, please check the appropriate selection, sign, date and return to our office in the enclosed envelope. The option selected will become effective on the date noted on the attached illustration.]

[Because your Policy benefits are already at the lowest level, we are unable to offer you the option of reducing your coverage in order to offset the amount of your premium increase.]

[If you [do not choose one of the options and] do not pay the premium with the rate increase, your policy will lapse.]

[If you [do not choose one of the options and] do not pay the premium with the rate increase, you will receive the Contingent Benefit Upon Lapse ("CB") described in the rate increase letter [and shown in the options attachment]. Under CB you will have a paid-up benefit equal to the greater of 100% of the sum of all premiums you have paid or 30 times the daily nursing home benefit at the time of lapse. Under CB your current Maximum Daily Benefit and Elimination Period will remain the same and you will pay no more premium. In no event will the paid-up value exceed the maximum benefits which would be payable if the Policy remained in

[DATE]

Page 2

a premium paying status. All benefits paid while the policy is in a premium paying status and in the paid-up status will not exceed the maximum benefits which would be payable if the policy had remained in premium paying status.]

[Any changes to your Policy will be confirmed with a Policy Change Endorsement which we will send to you.]

If you have any questions or concerns, please contact our Customer Service Department at [1-877-782-4663].

Sincerely,

Customer Service Department  
Coventry CareLink Insurance Services, LLC

[Enclosures:  
Options attachment  
Return Envelope]

# United Security Assurance

Company of Pennsylvania  
673 East Cherry Lane, P.O. Box 64477  
Souderton, Pennsylvania 18964

## Administered By



INSURANCE SERVICES, LLC

1302 Concourse Drive, Suite 303  
Linthicum, Maryland 21090  
(410) 850-9060 TEL  
(410) 850-9070 FAX

February 20, 2021

John Doe  
123 Main Street  
Anytown, PA 12345

Policy Number: 12345678910

Dear Mr. Doe:

You have contacted our Customer Service Department in response to the letter regarding the rate increase for your United Security Assurance Company of Pennsylvania long term care policy.

Per your request, attached please find options available to reduce your premium. As noted on the attachment, if you decide to make one of these changes, please check the appropriate selection, sign, date and return to our office in the enclosed envelope. The option selected will become effective on the date noted on the attached illustration.

If you do not choose one of the options and do not pay the premium with the rate increase, you will receive the Contingent Benefit Upon Lapse ("CB") described in the rate increase letter and shown in the options attachment. Under CB you will have a paid-up benefit equal to the greater of 100% of the sum of all premiums you have paid or 30 times the daily nursing home benefit at the time of lapse. Your current Maximum Daily Benefit and Elimination Period will remain the same and you will pay no more premium. In no event will the paid-up value exceed the maximum benefits which would be payable if the Policy remained in a premium paying status. All benefits paid while the policy is in a premium paying status and in the paid-up status will not exceed the maximum benefits which would be payable if the policy had remained in premium paying status.

Any changes to your Policy will be confirmed with a Policy Change Endorsement which we will send to you.

If you have any questions or concerns, please contact our Customer Service Department at [1-877-782-4663].

Sincerely,

Customer Service Department  
Coventry CareLink Insurance Services, LLC

Enclosures:  
Options attachment  
Return Envelope

**Statement of Variable Language for**  
**Form VA-RI Policyholder Notification Letter**  
**Form TRI-CL2020 Options Cover Letter**

**General References**

The enclosed form contains variable and illustrative material set forth in brackets. Illustrative material consists of any entries such as names, dates, amounts, percentages, etc.

**Please note:**

The bracketed references and surrounding text may be appropriately modified to reflect proper grammatical form.

The bracketed references that include “X’s” represent current premium or percentage of rate increase.

The remaining bracketed items are intended to vary as follows:

**Form VA-RI Policyholder Notification Letter**

Bracketing has been added to the company address should an address change be made in the future.

The address and phone number for the Administrator, Coventry CareLink Insurance Services, LLC, have been bracketed in case of future change.

The tollfree number and hours of operation of Coventry CareLink appear throughout the letter as variable fields to allow for any future updates or changes.

**[mm/dd/yyyy]** on first and subsequent page headers denotes the current Date of the correspondence.

Policy Number **[xxxxxxxxxxx]**– this bracketed field will be the insured’s policy number.

Decision Due Date: **[MM/DD/YYYY]** The bracketed date will be 15 days before the Billing Anniversary Date when the rate increase will be effective.

**[PH NAME]**– this bracketed field will reflect the insured’s full name

**[PH ADDRESS]** this will be the insured’s street address and/or PO box in either 1 or 2 lines

**[PH CITY, STATE, ZIPCODE]** the insured's city, state and zip code

**[POLICYHOLDER]** The name of the policyholder.

**Initial Notice of Increase.**

Only one of the first three paragraphs will appear in a letter, depending on whether the State approves a single increase, a two series increase, or a three series increase. Within these paragraphs, the **[xxx]**% is the percentage of the rate increase.

Depending on the increase approved, the table will have 2, 3, or 4 rows. Within this table, **[Modal]** will be the premium payment mode, Monthly, Quarterly, Semi-Annual, Annual. **[mm/dd/yyyy]** refers to the premium due date when the increase is effective. **[xxxx.xx]** refers to the premium both before and with the increase.

**SUBSEQUENT INCREASES:** If the Department approves a rate increase that is implemented over multiple years, the bracketed paragraph will appear in a second and third increase letter if applicable.

One of the next three paragraphs will appear as applicable to the subsequent increase. The bracketed variables within these paragraphs are as described in the initial notice of increase above.

The Virginia Bureau of Insurance's webpage has been bracketed in case of future change.

The phone number and hours of operation for Coventry CareLink have been bracketed in case of future change.

Only One of the following bracketed sections will appear in this area. **IF ADDITIONAL INCREASE IS POSSIBLE:** [Based on current expectations, we believe that this [increase] [series of increases] will be sufficient to bring premiums into greater balance with claims. However, if future claims are worse than currently expected, we cannot guarantee there will not be additional rate changes sometime in the future.] **IF ADDITIONAL INCREASE IS PROBABLE:** [We anticipate that additional premium increase(s) will be necessary in the future, but we do not presently know the date or amount of any future increase.]

If the above paragraph for **IF ADDITIONAL INCREASE IS POSSIBLE:** is used, either [increase] or [series of increases] will be used as appropriate.

The beginning sentences under **"Why is this increase necessary?"** have been bracketed to allow for change in the explanation for the increase.

The first paragraph under **"Ways to Reduce the Cost"** has sentences bracketed which would be used only if the policy qualifies for the Contingent Benefit Upon

Lapse (“CB”). The second paragraph in this section also has bracketed language which would be used if policy is subject to the CB.

Virginia Insurance Counseling and Assistance Program’s phone numbers and website have been bracketed in case of change.

The tollfree number and hours of operation of Coventry CareLink have been bracketed to allow for future changes.

The signer and title of signer are bracketed in case of future change.

### **Form TRI-CL2020 Options Cover Letter**

Bracketing has been added to the company address should an address change be made in the future.

The address and phone number for the Administrator, Coventry CareLink Insurance Services, LLC, have been bracketed in case of future change.

**[DATE]** on first and subsequent page headers denotes the current Date of the correspondence.

**[PH NAME]** this bracketed field will reflect the insured’s full name

**[PH ADDRESS]** this will be the insured’s street address and/or PO box in either 1 or 2 lines

**[PH CITY, STATE, ZIPCODE]** the insured’s city, state and zip code

Policy Number: **[xxxxxxxxxxx]**– this bracketed field will be the insured’s policy number.

**[Ms./Mrs./Mr. PH LASTNAME]** This will be the appropriate title and the insured’s last name.

The second and third paragraphs are bracketed and only one will be used in any letter as appropriate to whether there are Options available or not.

Only one of the bracketed fourth or fifth paragraphs will appear in the letter as appropriate.

The fourth paragraph will be used if the Contingent Benefit is not available. This paragraph has a bracketed phrase, which will be used when Options are attached.

The fifth paragraph will be used if the CB is available. This paragraph also has bracketed sections used only when there are options available.

The sixth paragraph is bracketed and would not appear if no Options are presented and CB is not applicable.

The phone number for Customer Service has been bracketed in case of future change.

Enclosures are bracketed and would only apply if Options are presented.

Exhibit 3  
United Security Assurance Company of PA  
Business Assumed from TRIGON  
Current Experience with no rate increase  
Nationwide/VA  
Policy Form GLTC-2N91

Year	YE Inforce Policies	Cash Premium	Earned Premium	Paid Claims	Incurred Claims	Loss Ratio
1996	171	-	71,949	-	-	0.0%
1997	171	-	71,949	-	-	0.0%
1998	171	-	71,949	-	-	0.0%
1999	171	-	71,949	-	-	0.0%
2000	171	-	71,949	-	-	0.0%
2001	171	-	71,949	-	-	0.0%
2002	171	-	71,949	-	-	0.0%
2003	171	-	71,949	-	-	0.0%
2004	171	-	71,949	-	-	0.0%
2005	171	-	71,949	-	-	0.0%
2006	171	-	71,949	-	-	0.0%
2007	171	-	71,949	-	-	0.0%
2008	171	-	71,949	-	-	0.0%
2009	171	-	71,949	-	-	0.0%
2010	171	71,949	71,949	-	-	0.0%
2011	171	75,912	75,912	-	-	0.0%
2012	168	76,061	72,937	8,673	8,673	11.9%
2013	166	73,859	73,908	1,554	1,554	2.1%
2014	166	72,384	72,701	0	-	0.0%
2015	164	73,380	73,512	5,760	30,611	41.6%
2016	161	69,172	66,394	49,070	151,716	228.5%
2017	159	68,244	68,204	64,027	222,213	325.8%
2018	160	67,604	67,696	94,030	42,277	62.5%
2019	156	66,066	66,027	104,995	149,356	226.2%
Cumulative @ 5.49%	4,036		3,500,106		690,192	19.7%
2020	150		62,728		172,970	275.7%
2021	145		59,609		191,008	320.4%
2022	139		56,622		210,317	371.4%
2023	134		53,734		236,009	439.2%
2024	128		50,919		264,909	520.3%
2025	123		48,160		297,628	618.0%
2026	117		45,447		334,582	736.2%
2027	112		42,775		376,169	879.4%
2028	106		40,146		411,586	1025.2%
2029	100		37,561		448,615	1194.4%
2030	95		35,025		487,266	1391.2%
2031	89		32,544		527,176	1619.9%
2032	83		30,123		567,820	1885.0%
2033	78		27,770		574,166	2067.5%
2034	72		25,492		575,905	2259.1%
2035	67		23,294		573,435	2461.7%
2036	62		21,182		566,718	2675.4%
2037	57		19,162		555,448	2898.7%
2038	52		17,239		525,180	3046.5%
2039	47		15,418		493,327	3199.6%
2040	42		13,706		459,939	3355.7%
2041	38		12,107		425,285	3512.8%
2042	34		10,623		378,220	3560.5%
2043	30		9,257		333,563	3603.5%
2044	26		8,009		291,866	3644.4%
2045	23		6,878		253,281	3682.3%
2046	20		5,863		217,977	3717.6%
2047	17		4,960		186,011	3750.3%
2048	14		4,163		157,374	3780.3%
2049	12		3,467		131,997	3807.8%
2050	10		2,864		109,743	3832.5%
2051	8		2,339		90,449	3867.4%
2052	7		1,901		73,902	3887.7%
2053	6		1,532		59,860	3906.0%
2054	5		1,226		48,075	3922.8%
PV of Future @ 5.49%	2,247		521,573		5,366,869	1029.0%
Total	6,283		4,021,679		6,057,062	150.6%
Historical%	64.2%		87.0%		11.4%	
Projected%	35.8%		13.0%		88.6%	

Exhibit 5  
 United Security Assurance Company of PA  
 Business Assumed from TRIGON

**Original Exhibit 3 with 35% Rate Increase**

Nationwide/VA

Policy Form GLTC-2N91

Year	YE Inforce Policies	Cash Premium	Earned Premium	Paid Claims	Incurred Claims	Loss Ratio
1996	171	-	71,949	-	-	0.0%
1997	171	-	71,949	-	-	0.0%
1998	171	-	71,949	-	-	0.0%
1999	171	-	71,949	-	-	0.0%
2000	171	-	71,949	-	-	0.0%
2001	171	-	71,949	-	-	0.0%
2002	171	-	71,949	-	-	0.0%
2003	171	-	71,949	-	-	0.0%
2004	171	-	71,949	-	-	0.0%
2005	171	-	71,949	-	-	0.0%
2006	171	-	71,949	-	-	0.0%
2007	171	-	71,949	-	-	0.0%
2008	171	-	71,949	-	-	0.0%
2009	171	-	71,949	-	-	0.0%
2010	171	71,949	71,949	-	-	0.0%
2011	171	75,912	75,912	-	-	0.0%
2012	168	76,061	72,937	8,673	8,673	11.9%
2013	166	73,859	73,908	1,554	1,554	2.1%
2014	166	72,384	72,701	0	-	0.0%
2015	164	73,380	73,512	5,760	30,611	41.6%
2016	161	69,172	66,394	49,070	151,716	228.5%
2017	159	68,244	68,204	64,027	222,213	325.8%
2018	160	67,604	67,696	94,030	42,277	62.5%
2019	156	66,066	66,027	104,995	149,356	226.2%
Cumulative @ 5.49%	4,036		3,500,106		690,192	19.7%
2020	150		62,728		172,970	275.7%
2021	145		64,253		191,008	297.3%
2022	139		76,440		210,317	275.1%
2023	134		72,541		236,009	325.3%
2024	128		68,740		264,909	385.4%
2025	123		65,015		297,628	457.8%
2026	117		61,353		334,582	545.3%
2027	112		57,746		376,169	651.4%
2028	106		54,197		411,586	759.4%
2029	100		50,708		448,615	884.7%
2030	95		47,284		487,266	1030.5%
2031	89		43,934		527,176	1199.9%
2032	83		40,666		567,820	1396.3%
2033	78		37,490		574,166	1531.5%
2034	72		34,414		575,905	1673.4%
2035	67		31,447		573,435	1823.5%
2036	62		28,596		566,718	1981.8%
2037	57		25,868		555,448	2147.2%
2038	52		23,272		525,180	2256.7%
2039	47		20,815		493,327	2370.1%
2040	42		18,504		459,939	2485.7%
2041	38		16,344		425,285	2602.1%
2042	34		14,341		378,220	2637.4%
2043	30		12,496		333,563	2669.3%
2044	26		10,812		291,866	2699.5%
2045	23		9,286		253,281	2727.6%
2046	20		7,916		217,977	2753.8%
2047	17		6,696		186,011	2778.0%
2048	14		5,620		157,374	2800.2%
2049	12		4,680		131,997	2820.6%
2050	10		3,866		109,743	2838.9%
2051	8		3,157		90,449	2864.7%
2052	7		2,566		73,902	2879.8%
2053	6		2,069		59,860	2893.4%
2054	5		1,654		48,075	2905.8%
PV of Future @ 5.49%	2,247		668,736		5,366,869	802.5%
Total	6,283		4,168,842		6,057,062	145.3%
Historical%	64.2%		84.0%		11.4%	
Projected%	35.8%		16.0%		88.6%	

# United Security Assurance

## Company of Pennsylvania

673 East Cherry Lane, P.O. Box 64477,  
Souderton, Pennsylvania 18964  
(800) 872-3044

July 2, 2021

Ms. Colleen Moore  
Insurance Market Examiner  
Bureau of Insurance  
Tyler Building, 6th floor  
1300 E. Main St.  
Richmond, Virginia 23219

Re: United Security Assurance Company of Pennsylvania  
Trigon 2020 GLTC Rate Increase Filing  
SERFF Tracking # USPA-132508445  
Your Objections Dated 06/30/2021

Dear Ms. Moore:

Listed below are the responses to your items of objection regarding the above referenced filing. Each item is listed in italics with the response immediately following.

### ***First Objection of 03:24 PM***

#### ***Objection 1)***

*Applies To: L&H Actuarial Memorandum (Supporting Document)*

#### ***Comments:***

*The actuarial exhibits submitted 6/16/21 appear to be missing the loss ratio projection for current experience with no increase (supporting the 150.6% projected lifetime loss ratio figure in the company's Rate Request Summary). Exhibit 3 is the loss ratio based on asset adequacy. Exhibit 5 includes the 35% increase. There is no Exhibit 4. Please attach a loss ratio exhibit without the increase demonstrating the 150.6% projection.*

The loss ratio projection for current experience with no increase (supporting the 150.6% projected lifetime loss ratio figure) is the original Exhibit 3 submitted with this filing on August 28, 2020 (before the change to Asset Adequacy Assumptions for projected data). This Exhibit has been included again under Supporting Documents as part of this objection response (titled Original Exhibit 3.pdf). Exhibit 4 is the premium rate exhibit, submitted under the Rate/Rule Schedule tab.

#### ***Objection 2)***

*Applies To: Long Term Care Insurance Rate Request Summary (Supporting Document)*

# United Security Assurance

## Company of Pennsylvania

673 East Cherry Lane, P.O. Box 64477,  
Souderton, Pennsylvania 18964  
(800) 872-3044

### *Comments:*

*Please update the wording in the Outlook for Future Increases to be consistent with the Company's position that an additional rate increase will not be requested unless there is significant deterioration in future experience.*

The wording in the Outlook for Future Increases has been updated and resubmitted.

### **Objection 3)**

#### *Applies To:*

#### *Comments:*

*Please attach a copy of the approved Policy Change Endorsement Form referenced in the Options Cover Letter under Supporting Documentation.*

The SERFF filing for the Form has been submitted.

### **Objection 4)**

*Applies To: Policyholder information as requested in Objection 06-11-2021 Item #2 (Supporting Document)*

#### *Comments:*

*We note that the John Doe version of the policyholder notification letter includes, in the last paragraph on page 1, wording that the company anticipates "that additional premium increase(s) will be necessary in the future." Since the intention of the John Doe letter is to demonstrate how the variability in the approved form will be used in conjunction with this filing, please revise this paragraph to include the variable language consistent with the company not anticipating future increases unless experience is worse than expected.*

The revised John Doe letter is included under Supporting Documents.

### **Second Objection of 03:43 PM**

#### **Objection 1)**

*Applies To: L&H Actuarial Memorandum (Supporting Document)*

#### *Comments:*

*As a follow up to Objection #1 in the Objection letter submitted earlier today, please confirm if both Exhibits 3 and 5 include projected experience using asset adequacy. If this is the case, please also include a lifetime loss ratio projection corresponding to the exhibit demonstrating the 150.6% lifetime loss ratio, but with the 35% increase.*

Yes, Exhibits 3 and 5, submitted on 4/7/2021 as part of the response to the 3/29/2021 objection include projected experience using asset adequacy assumptions. I have included an exhibit (titled Original

# United Security Assurance

## Company of Pennsylvania

673 East Cherry Lane, P.O. Box 64477,  
Souderton, Pennsylvania 18964  
(800) 872-3044

Exhibit 3 with 35%.pdf), using the originally filed Exhibit 3 (as mentioned in item #1 above) projection, which includes the proposed 35% rate increase.

Hopefully this addresses your concerns on this filing. If you have additional questions, please let me know.

Sincerely,



Gary R. Hulet, ASA, MAAA  
Staff Actuary  
United Security Assurance Company of PA  
604 Harbor Circle  
Azle, TX 76020  
407-474-1727

cc: Bill Neugroschel  
Cam Waite  
Duff Winkenwerder  
Martha Stephens

**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania  
**TOI/Sub-TOI:** LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.003 Other  
**Product Name:** Trigon PCE 7.2012  
**Project Name/Number:** /

## Filing at a Glance

Company: United Security Assurance Company of Pennsylvania  
 Product Name: Trigon PCE 7.2012  
 State: Virginia  
 TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care  
 Sub-TOI: LTC05I.003 Other  
 Filing Type: Form/Endorsement/Application  
 Date Submitted: 07/17/2012  
 SERFF Tr Num: USPA-128578761  
 SERFF Status: Closed-Approved  
 State Tr Num: USPA-128578761  
 State Status: Approved  
 Co Tr Num: PCE-U  
 Co Status:  
 Implementation  
 Date Requested:  
 Author(s): Martha Stephens, William Neugroschel  
 Reviewer(s): Mary Mason (primary)  
 Disposition Date: 09/10/2012  
 Disposition Status: Approved  
 Implementation Date:

**State:** Virginia **Filing Company:** United Security Assurance Company of Pennsylvania  
**TOI/Sub-TOI:** LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.003 Other  
**Product Name:** Trigon PCE 7.2012  
**Project Name/Number:** /

## General Information

Project Name: Status of Filing in Domicile: Authorized  
 Project Number: Date Approved in Domicile: 05/14/1984  
 Requested Filing Mode: Review & Approval Domicile Status Comments:  
 Explanation for Combination/Other: Market Type: Individual  
 Submission Type: New Submission Individual Market Type:  
 Overall Rate Impact: Filing Status Changed: 09/10/2012  
 Company Status Changed: State Status Changed: 09/10/2012  
 Deemer Date: 09/12/2012 Created By: Tamara Lyons  
 Submitted By: Tamara Lyons Corresponding Filing Tracking Number:

### Filing Description:

Enclosed please find duplicate copies of the above-captioned form for your review and approval prior to use in your state. United Security Assurance Company of Pennsylvania intends to use this form with policies acquired from other companies as well as any future approved products that we may issue in your state.

This filing contains the following items:

- Policy Change Endorsement Form, PCE-U, is to be sent to any policyholder who is requesting a change in the terms of their policy. It will be used by the Company to make changes in policy contracts (such as benefit amounts and related premium changes) requested by the insured (please see variable choices). It could also be used at the time of policy issue to indicate corrections to the application. The Company will require that any change made by the endorsement be acknowledged by signature of the insured.
- The variable language for use with the above endorsement is as shown on the statement of variables, Form PCE-U-SOV.

## Company and Contact

### Filing Contact Information

Tamara Lyons, Product Analyst tlyons@usa-cal.com  
 673 East Cherry Lane 215-723-3044 [Phone] 155 [Ext]  
 Souderton, PA 18964 215-723-8036 [FAX]

### Filing Company Information

United Security Assurance Company of Pennsylvania	CoCode: 42129	State of Domicile: Pennsylvania
673 Cherry Lane	Group Code: 1223	Company Type: Life, Accident/Health
Souderton, PA 18964-1260	Group Name:	State ID Number:
(215) 723-3044 ext. [Phone]	FEIN Number: 23-2227246	

## Filing Fees

Fee Required? No  
 Retaliatory? No  
 Fee Explanation:

State: Virginia Filing Company: United Security Assurance Company of Pennsylvania  
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.003 Other  
Product Name: Trigon PCE 7.2012  
Project Name/Number: /

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Mary Mason	09/10/2012	09/10/2012

SERFF Tracking #:

USPA-128578761

State Tracking #:

USPA-128578761

Company Tracking #:

PCE-U

**State:** Virginia  
**TOI/Sub-TOI:** LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.003 Other  
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**Filing Company:** United Security Assurance Company of Pennsylvania

## Disposition

Disposition Date: 09/10/2012

Implementation Date:

Status: Approved

Comment:

Rate data does NOT apply to filing.

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Certification of Compliance	Received & Acknowledged	Yes
Supporting Document	L&H Readability - Health	Withdrawn	Yes
Supporting Document	Submission Letter	Received & Acknowledged	Yes
Supporting Document	Statement of Variables	Received & Acknowledged	Yes
Supporting Document	John Doe PCE	Received & Acknowledged	Yes
Form	PCE-U	Approved	Yes

SERFF Tracking #:

USPA-128578761

State Tracking #:

USPA-128578761

Company Tracking #:

PCE-U

**State:** Virginia  
**TOI/Sub-TOI:** LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.003 Other  
**Product Name:** Trigon PCE 7.2012  
**Project Name/Number:** /

**Filing Company:** United Security Assurance Company of Pennsylvania

## Form Schedule

### Lead Form Number:

Item No.	Schedule Item Status	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
1	Approved 09/10/2012	PCE-U	policy change endorsemen t	POLA	Initial			PCE-U_7.2012.pdf

### Form Type Legend:

<b>ADV</b>	Advertising	<b>AEF</b>	Application/Enrollment Form
<b>CER</b>	Certificate	<b>CERA</b>	Certificate Amendment, Insert Page, Endorsement or Rider
<b>DDP</b>	Data/Declaration Pages	<b>FND</b>	Funding Agreement (Annuity, Individual and Group)
<b>MTX</b>	Matrix	<b>NAP</b>	Network Access Plan
<b>NOC</b>	Notice of Coverage	<b>OTH</b>	Other
<b>OUT</b>	Outline of Coverage	<b>PJK</b>	Policy Jacket
<b>POL</b>	Policy/Contract/Fraternal Certificate	<b>POLA</b>	Policy/Contract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider
<b>PRC</b>	Provider Contract/Provider Addendum/Provider Leading Agreement	<b>PRD</b>	Provider Directory

## POLICY CHANGE ENDORSEMENT

Effective Date: \_\_\_\_\_ Policy No.: \_\_\_\_\_

Issued to: \_\_\_\_\_

Your policy is amended as follows:

In witness whereof, UNITED SECURITY ASSURANCE COMPANY OF PENNSYLVANIA,  
SOUDERTON, PENNSYLVANIA, has caused this endorsement to be signed by its President.

\_\_\_\_\_  
Signature of Insured

  
\_\_\_\_\_  
President

SERFF Tracking #:

USPA-128578761

State Tracking #:

USPA-128578761

Company Tracking #:

PCE-U

State:

Virginia

Filing Company:

United Security Assurance Company of Pennsylvania

TOI/Sub-TOI:

LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.003 Other

Product Name:

Trigon PCE 7.2012

Project Name/Number:

/

## Supporting Document Schedules

<b>Satisfied - Item:</b>	Statement of Variables
<b>Comments:</b>	
<b>Attachment(s):</b>	PCE-U-SOV_7.2012.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	09/10/2012

## Statement of PCE Variables

- [Your Policy originally issued by \_\_\_\_\_ and assumed by United Security Assurance Company of Pennsylvania is amended as follows:]
- [In accordance with the request of the Insured, the following change is made to the Policy: The Maximum Daily Benefit is \$[xxx.xx]. The Maximum Benefit Period is [xxx] [days] [months] [years]. The Elimination Period is [xxx] days. The new premium is \$[xxx.xx] [Annually] [Semi-Annually] [Quarterly] [Monthly]. The effective date of this change is [date].]
- [In consideration of the request to reduce premium, the following coverage has been removed from the Policy effective [date]: [Benefit Rider Form xxx-xx-x]. The new premium is \$[xxx.xx] [Annually] [Semi-Annually] [Quarterly] [Monthly].]
  
- [In consideration of the application and additional premium collected, the following coverage has been added to the Policy effective [date]: [Benefit Rider Form xxx-xx-x]. The new premium is \$[xxx.xx] [Annually] [Semi-Annually] [Quarterly] [Monthly].]
- [The beneficiary designation has been changed to [name, relationship]. This change is effective [date].]
- [The correct premium for the Policy is shown in the Policy Schedule.]
- [The correct premium for this Policy is \$[xxx.xx].]
- [The correct age of the Insured is [xx].]
- [The response to question #[x] on the application is [Yes] [No].]
- [The Maximum Daily Benefit of the Policy is \$[xxx.xx].]
- [The Maximum Benefit Period of the Policy is [xxx] [days] [months] [years].]
- [The Elimination Period of the Policy is [xxx] days.]

**United Security Assurance Company of Pennsylvania**  
673 East Cherry Lane, P.O. Box 64477  
Souderton, Pennsylvania 18964

**Administered By:**  
**Coventry CareLink Insurance Services, LLC**  
1302 Concourse Drive, Suite 303 Linthicum, Maryland 21090  
(410) 850-9060 TEL  
(410) 850-9070 FAX

July 29, 2021

**Notice of Rate Increase and Your Options**

**Policy Number:** 12345678910

**Decision Due Date:** September 29, 2021

John Doe  
123 Main Street  
Anytown PA 12345

Dear John Doe:

I am writing you today from Coventry CareLink Insurance Services, as administrator of your long term care insurance policy insured by United Security Assurance Company of Pennsylvania ("USA"). We will be implementing a premium rate increase of 35%. The 35% increase will take effect on your Billing Anniversary date listed below. Your new modal premium amount and the date due for the scheduled rate increase is as follows:

<u>Billing Anniversary Date</u>	<u>Prior Annual Premium</u>	<u>New Annual Premium</u>
10/15/2021	\$2296.64	\$3100.46

The rate increase request was reviewed by Virginia's State Corporation Commission and was found to be compliant with applicable Virginia laws and regulations addressing long-term care insurance. All premium rate filings are available for public inspection and may be accessed online through the Virginia Bureau of Insurance's webpage at <https://scc.virginia.gov/boi/SERFFInquiry/LtcFilings.aspx>.

As administrator for your United Security Assurance Policy, Coventry CareLink will be implementing the increase. Our toll-free number is: 1-877-782-4663 - ext. 120 and we are available Monday through Friday between 8:30 a.m. and 4:30 pm EST.

This premium rate increase is being implemented on all policies issued in Virginia on your Policy Form, and not on you as an individual. This rate increase is related to past and expected future claims and is not based on current economic conditions. Based on current expectations, we believe that this increase will be sufficient to bring premiums into greater balance with claims. However, if future claims are worse than currently expected, we cannot guarantee there will not be additional rate changes sometime in the future. Any future rate increase will not be implemented until the request has been filed with Virginia's State Corporation Commission and

determined to be compliant with applicable Virginia laws and regulations addressing long-term care insurance.

**Why is this increase necessary?**

Premium increases are necessary when benefits paid, past and future, exceed what was expected when the policy was initially priced. We evaluated assumptions such as the amount of claims we expect to pay, the life expectancy of our insureds, the number of insureds who will voluntarily cancel their coverage, and prevailing interest rates. The results are much higher than these original projections. The reasons for this are due to individuals living longer and keeping their policies longer. This has resulted in more claims. For these reasons, premiums must be increased. While the rates need to be increased, we want to explain the specific change to your premium and tell you how you can continue to have access to your long term care insurance coverage even if you can't afford the rate increase. So, here is what you need to know:

- If you have other policies with United Security Assurance, they will not be affected by this premium increase. This increase applies only to the Policy number shown at the top of this letter.
- You have the right to a revised premium rate or rate schedule if your premium rate or rate schedule is changed.
- **If you currently pay your premium by an automatic bank plan or credit card, your new premium amount will be automatically drafted from your account when it is due, unless you notify us prior to the Decision Due Date at the top of this letter. If you do not contact us by that date, you can still make changes to be effective at the next premium due date.**
- If you are currently receiving benefits and on waiver of premium status, any Policy changes requested will be processed once the Policy is removed from waiver and you are no longer on claim. Your premiums will not increase until you are required to begin paying premiums again. You do not have to make a decision by the Decision Due Date and can decide at the time you are coming off claim.

**Ways to Reduce the Cost**

If you would like to keep your current benefits, you must pay the increased premium amount. If you choose not to pay the increased premium, you will receive a Contingent Benefit Upon Lapse ("CB"). Under CB you will pay no more premiums and will have a paid-up benefit equal to the greater of 100% of the sum of all premiums you have already paid, or 30 times the daily nursing home benefit at the time of lapse. In no event will the paid-up value exceed the maximum benefits which would be payable if the Policy remained in a premium paying status. **In many cases, the decision to elect the CB option may result in a significant reduction in benefits.**

If you feel you may have difficulty affording the new premium amount, there are other ways to avoid paying the rate increase besides accepting the CB benefit described in the above paragraph.

Options available to you may be to:

1. Reduce the Daily Benefit amount, and/or
2. Reduce the Benefit Period of your Policy, and/or
3. Increase the Elimination Period, and/or
4. Remove or adjust optional Riders, if applicable.

**You should be aware that all options available to you may not be of equal value.** Please call us if you want to know the options available for your Policy.

For future rate increases, similar options may be available; however, you can contact us at any time to discuss decreasing your coverage and premiums, per the provisions of your Policy.

### **How to get Help**

You may wish to consult with family members and advisors about this rate increase and the options you have to minimize the effect of the increase.

You can also contact the Virginia Insurance Counseling and Assistance Program (VICAP) at Toll-Free: 1-800-552-3402 (Nationwide Voice/TTY); or (804) 662-9333, or visit their Web site: [www.vda.virginia.gov/vicap.htm](http://www.vda.virginia.gov/vicap.htm). VICAP is a free, unbiased, confidential counseling program that offers health insurance information, education, and assistance to seniors and adults with disabilities (and their families) in understanding Medicare and making decisions about long term care insurance. The Virginia Department for Aging and Rehabilitative Services and the Bureau of Insurance has worked closely together to develop this insurance counseling program in Virginia.

***We encourage you to call our customer service department if you have any questions regarding this rate increase or would like to discuss all of your options. As administrator for your United Security Assurance Policy, Coventry CareLink will be implementing the increase. Our toll free number is: 1-877-782-4663, ext 120 and we are available between 8:30 a.m. and 4:30 pm EST.***

We appreciate and thank you for the opportunity to service your long term care insurance.

Sincerely,

Elaine Griffin  
Director of Operations